

Public Document Pack

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

*Rydym yn croesawu gohebiaeth yn Gymraeg.
Rhowch wybod i ni os mai Cymraeg yw eich
dewis iaith.*

*We welcome correspondence in Welsh. Please
let us know if your language choice is Welsh.*



Annwyl Cyngorydd,

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio o bell trwy Timau Microsoft ar **Dydd Iau, 11 Tachwedd 2021** am **14:00**.

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 10
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 09/09/2021
4. Cofnod Gweithredu'r Pwyllgor Archwilio a Llywodraethu 11 - 14
5. Newidiadau i Aelodaeth y Pwyllgor Llywodraethu ac Archwilio 15 - 18
6. Adroddiadau Pwyllgor Llywodraethu ac Archwilio Cymru 19 - 48
7. Adolygiad Hanner Blwyddyn o'r Datganiad Llywodraethu Blynyddol 49 - 84
8. Grantiau Cyfleusterau i'r Anabl - Adroddiad ar Gynnydd a Datganiad o'r Sefyllfa 85 - 100
9. Datganiad Cyfrifon 2020-21: Llythyr Materion yn Codi Archwilio Cymru 101 - 108
10. Rheoli'r Trysorlys - Adroddiad Hanner Blwyddyn 2021-22 109 - 124
11. Aseiad Risg Corfforaethol 2021-22 125 - 136
12. Cynllun Archwilio Blynyddol yr Archwiliad Allanol 2021-22 137 - 144

13. Blaenraglen Waith wedi'i Diweddaru 2021-22

145 - 150

14. Materion Brys

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Sylwch: Yn sgil yr angen i gadw pellter cymdeithasol, ni fydd y cyfarfod hwn yn cael ei gynnal yn ei leoliad arferol. Yn hytrach, bydd hwn yn gyfarfod rhithwir a bydd Aelodau a Swyddogion yn mynychu o bell. Bydd y cyfarfod yn cael ei recordio i'w ddarlledu ar wefan y Cyngor cyn gynted ag sy'n ymarferol ar ôl y cyfarfod. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643147 / 643148.

Yn ddiffuant

K Watson

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

Dosbarthiad:

Cynghorwyr

CA Green
JE Lewis
MJ Kearn
B Sedgebeer

Cynghorwyr

RM Granville
LM Walters
AJ Williams
PA Davies

Cynghorwyr

P Davies
TH Beedle
A Hussain
E Venables

Aelod Lleyg:

Mrs J Williams

Agenda Item 3

PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 9 MEDI 2021

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A
GYNHALIWYD O BELL TRWY TIMAU MICROSOFT DYDD IAU, 9 MEDI 2021, AM 14:00

Presennol

CA Green
AJ Williams
A Hussain

JE Lewis
PA Davies

MJ Kearn
P Davies

RM Granville
TH Beedle

Ymddiheuriadau am Absenoldeb

LM Walters a/ac E Venables

Swyddogion:

Deborah Exton	Dirprwy Bennaeth Cyllid dros dro
Samantha Clements	Archwilio Cymru
Andrew Rees	Rheolwr Gwasanaethau Democrataidd
Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Michael Pitman	Swyddog Gwasanaethau Democrataidd – Pwyllgorau
Nigel Smith	Rheolwr Cyllid
Eilish Thomas	Rheolwr Cyllid – Rheoli Ariannol a Chau
John Llewellyn	Arweinydd Tim Archwilio Cyllid, Swyddfa Archwilio Cymru
Joan Davies	Rheolwr Cleient Archwilio
Kelly Watson	Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio

Aelod Lleyg:

Mrs J Williams

269. ETHOL CADEIRYDD AR GYFER Y CYFARFOD

PENDERFYNIAD: Bod y Cynghorydd AJ Williams yn cael ei ethol yn Gadeirydd y cyfarfod.

270. DATGANIADAU O FUDDIANT

Dim.

271. CADARNHAU COFNODION

Cyfeiriodd yr aelod lleyg at gofnod rhif 265 - Cofrestr Risg Gorfforaethol, a'r archwiliad o'r gwasanaethau rheoli risg yn benodol, lle rhoddwyd barn archwilio o sicrwydd rhesymol. Ni ddangoswyd unrhyw farn archwilio yn y cynllun archwilio presennol, felly gofynnwyd a oedd yr Archwiliad Mewnol yn cyd-fynd â'r cofnodion, ac ym mhle y mae rheoli risg yn y rhaglen. Eglurodd y Rheolwr Cleientiaid Archwilio fod yr adroddiad archwilio ar reoli risg, a oedd yn cynnwys barn, wedi'i gyhoeddi yn 2020/21. Mae Rheoli Risg wedi'i gynnwys eto ar Gynllun Archwilio Mewnol 2021-22, ond nid yw wedi'i ddechrau eto, a dyna pam nad oes barn archwilio ar y cynllun presennol.

Gofynnodd aelod o'r Pwyllgor am y wybodaeth ddiweddaraf am staff sydd wedi'u 'pingio' gan y gwasanaeth profi ac olrhain. Dywedodd y Prif Swyddog Dros Dro Cyllid, Perfformiad a Newid wrth y Pwyllgor fod y mater 'pingio' bellach wedi'i ddatrys i raddau

helaeth, ond roedd rhai meysydd yn dal i wynebu anhawster gydag adnoddau. Byddai risg ddiwygiedig yn cael ei hadrodd i gyfarfod y Pwyllgor ym mis Tachwedd.

Gofynnodd aelod o'r Pwyllgor am y wybodaeth ddiweddaraf am risg 16 - System Wybodaeth Gofal Cymunedol Cymru (WCCIS). Rhoddodd y Prif Swyddog Cyllid, Perfformiad a Newid dros dro y wybodaeth ddiweddaraf i'r Pwyllgor ar WCCIS gan fod gwaith sylweddol wedi'i wneud i'r system, ynghyd â llawer iawn o brofion, wrth symud y system i lwyfan arall. Er nad oedd y risg wedi'i chymeradwyo'n llwyr, byddai'r system yn cael ei diweddarau ar 14 Hydref ac yn mynd yn fyw ar 18 Hydref. Roedd y risg bellach yn risg reoledig, ac erbyn mis Tachwedd rhagwelir y byddai'n cael ei hisraddio i risg Cyfarwyddiaeth.

PENDERFYNIAD: Bod cofnodion y Pwyllgor Llywodraethu ac Archwilio ar 22 Gorffennaf 2021 yn cael eu cymeradwyo fel cofnod gwir a chywir, ar yr amod bod gwelliant yn cael ei wneud i rif 265 – Cofrestr Risg Gorfforaethol i adlewyrchu mai archwiliad o reoli risg Archwilio Mewnol y llynedd a gynhwysir.

272. **COFNOD GWEITHREDU'R PWYLLGOR ARCHWILIO A LLYWODRAETHU**

Cyflwynodd y Swyddog Gwasanaethau Democrataidd adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf i'r Aelodau am Adroddiad Gweithredu'r Pwyllgor Archwilio, a oedd wedi'i atodi i'r adroddiad.

Cyflwynodd Samantha Clements o Archwilio Cymru ddiweddariad ar y Cofnod Gweithredu o safbwynt Archwilio Cymru, gan nodi y gellid ei ystyried yn gyflawn bellach a'i dynnu o'r Cofnod Gweithredu. O ran Cam Gweithredu 214, roedd hwnnw bellach wedi'i gwblhau. Roedd yr adroddiad ar Asesiad Cynaliadwyedd Ariannol Pen-y-bont ar Ogrwr yn cael ei gyflwyno i'r Pwyllgor heddiw. O ran Cam Gweithredu 252, prosiect archwilio perfformiad yw'r prosiect datblygu, ac nid oes unrhyw ran archwilio ariannol yn yr adolygiad, mae'r prosiect hwn wedi'i gynnwys yn y diweddariad rhaglen waith archwilio perfformiad Archwilio Cymru. Mae Archwilio Cymru wedi rhoi cadarnhad i'r Prif Swyddog Dros Dro Cyllid, Perfformiad a Newid y bydd y Prif Weithredwr, Swyddog Adran 151 a'r Pennaeth Archwilio Mewnol yn gysylltiadau allweddol ar gyfer adroddiadau Archwilio Cymru, ynghyd â'r Arweinydd. Hefyd, ar y lleiaf, bydd dolenni i'r adroddiadau hyn yn cael eu cynnwys mewn diweddariadau perfformiad. O ran yr adroddiad ar Strategaeth Ddigidol, caiff ei ddatblygu gan swyddogion mewn ymateb i adroddiad Archwilio Cymru ac ni ddylid ei ddosbarthu fel cam gweithredu Archwilio Cymru. O ran cam gweithredu 261, mae wedi'i gynnwys yn y wybodaeth ddiweddaraf am raglen waith archwilio perfformiad Archwilio Cymru, ond gan mai adroddiadau chwarterol a wneir, bydd yr adroddiad cenedlaethol yn cael ei gyhoeddi erbyn diwedd mis Medi a bydd ar gael ar gyfer y pwyllgor nesaf.

PENDERFYNIAD: Bod y Pwyllgor wedi nodi'r adroddiad.

273. **CWYNIION CORFFORAETHOL**

Cyflwynodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddiol adroddiad ar y broses gwyno gorfforaethol a gofynnodd i'r Pwyllgor benderfynu a oedd am wneud unrhyw argymhellion mewn perthynas â gallu'r Awdurdod i ymdrin â chwynion yn effeithiol.

Dywedodd fod Polisi Pryderon a Chwynion yr Awdurdod wedi'i gynllunio i ddelio â chwynion corfforaethol, tra bod prosesau ar wahân ar gyfer ymdrin â chwynion gwasanaethau cymdeithasol, ac mae Aelodau Etholedig yn trin pryderon a chwynion ysgol. Dywedodd wrth y Pwyllgor fod Ombwdsmon Gwasanaethau Cyhoeddus Cymru

wedi ennill pwerau newydd mewn perthynas â gweithdrefnau ymdrin â chwynion yn 2019, o dan Ddeddf Ombwdsmon Gwasanaethau Cyhoeddus (Cymru) 2019, a'u bod wedi cyhoeddi Datganiad o Egwyddorion ar gyfer gweithdrefnau ymdrin â chwynion yn ogystal â pholisi ymdrin â chwynion enghreifftiol, ynghyd â chanllawiau cysylltiedig ar weithredu model Polisi Pryderon a Chwynion newydd.

Adroddodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddiol fod yr Ombwdsmon wedi ysgrifennu at bob un o'r 22 awdurdod lleol ym mis Medi 2020 i egluro sut yr oedd Awdurdod Safonau Cwynion yr Ombwdsmon, a grëwyd o fewn Ombwdsmon Gwasanaethau Cyhoeddus Cymru, wedi ymgysylltu â chynrychiolwyr o bob awdurdod lleol i sefydlu llu o fesurau a gynlluniwyd i gefnogi a gwella'r ffordd y caiff cwynion eu trin. Roedd y mesurau hyn yn cynnwys hyfforddiant a chymorth pwrpasol a dderbyniwyd gan swyddogion a phroses i bob awdurdod lleol adrodd ystadegau cwynion i Ombwdsmon Gwasanaethau Cyhoeddus Cymru bob chwarter. Anogwyd pob awdurdod lleol i ystyried sut mae eu harferion a'u gweithdrefnau presennol yn cydymffurfio â'r Datganiad o Egwyddorion, y broses enghreifftiol o ymdrin â chwynion, a'r canllawiau a gyhoeddwyd ar wefan Ombwdsmon Gwasanaethau Cyhoeddus Cymru. Cynhaliwyd adolygiad o'r Polisi Pryderon a Chwynion ym mis Tachwedd 2020. Mae gan yr awdurdod Bolisi ar wahân ar gyfer Cwynion Ymddygiad Afresymol neu Flinderus, nad yw'n cael ei ddefnyddio'n aml, ond mae'n rhoi cymorth a chynghor i swyddogion ac Aelodau Etholedig ar reoli sefyllfaoedd pan ystyrir bod gweithredoedd rhywun yn afresymol.

Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddiol wrth y pwyllgor mai'r Tîm Gwybodaeth sy'n gyfrifol am reoli proses gwyno gorfforaethol yr Awdurdod a nododd ddata perfformiad mewn perthynas â chwynion corfforaethol ar gyfer y cyfnod rhwng 1 Ebrill 2020 a 31 Mawrth 2021. Dywedodd mai 34 oedd nifer y cwynion yn erbyn yr Awdurdod ar gyfer y cyfnod 2019-2020, o'i gymharu â 33 yn 2018-19, ac ni aeth yr un o'r cwynion ymlaen i gael ymchwiliad.

Adroddodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddiol fod Adran 115 o Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021 yn nodi darpariaeth er mwyn i'r Pwyllgor Llywodraethu ac Archwilio "adolygu ac asesu gallu'r awdurdod i ymdrin â chwynion yn effeithiol a gwneud adroddiadau ac argymhellion mewn perthynas â gallu'r awdurdod i ymdrin â chwynion yn effeithiol". Cynigiwyd bod y Pwyllgor yn derbyn Adroddiad Blynyddol ar gwynion o dan ei Gylch Gorchwyl. Rhoddodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio sicrwydd i'r Pwyllgor fod cwynion yn cael eu trin yn ddifrifol.

Holodd yr aelod lleyg, os nad yw achwynydd yn hapus â'r canlyniad, a oes cyfle ar ddiwedd y broses i'r achwynydd roi adborth i'r awdurdod. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor nad yw'r awdurdod yn gofyn i'r achwynydd am adborth ar ôl i'r broses gwyno ddod i ben.

Gofynnodd aelod o'r Pwyllgor a yw nifer y cwynion a dderbyniwyd yn arferol ar gyfer awdurdod o'r maint hwn. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor fod yr Ombwdsmon yn darparu data cymharol ar nifer y cwynion a dderbynnir gan bob awdurdod lleol, a bod Pen-y-bont ar Ogwr yn ail yn y rhestr o 22, gyda 34 o gwynion wedi'u derbyn, sy'n cyfateb i 0.23 fesul 1000 o drigolion.

Gofynnodd aelod o'r Pwyllgor ar ran Cadeirydd y Pwyllgor a oes diffiniad o gŵyn. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio fod y diffiniad wedi'i nodi yn y polisi. Gofynnodd aelod o'r Pwyllgor a yw atgyfeiriadau Aelodau yn cael eu cofnodi fel cwynion. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor nad yw atgyfeiriadau

Aelodau'n cael eu cofnodi fel cwynion, caiff cwyn ei gofnodi os bydd preswlydd yn gofyn iddo gael ei drin fel cwyn.

Mewn ymateb i gwestiwn gan aelod o'r Pwyllgor ynghylch y diffyg o 10 achos o'r cyfanswm o 370 achos, dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio y byddai'n gwirio hyn gyda'r Tîm Gwybodaeth.

Roedd y Pwyllgor o'r farn bod nifer y cwynion a gofnodwyd yn rhy isel, a holodd a oes diwylliant o gofnodi cwynion yn gywir. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor mai cyfrifoldeb preswylwyr oedd penderfynu a ydynt am wneud cwyn trwy'r broses gwyno ffurfiol. Gofynnodd aelod o'r Pwyllgor a oedd themâu'r cwynion wedi'u nodi. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor fod y Tîm Gwybodaeth wedi dechrau gweithio ar nodi themâu'r cwynion a dderbyniwyd.

Dywedodd aelod o'r Pwyllgor, ar ran Cadeirydd y Pwyllgor, y byddai'n croesawu'r cyfle i gwrdd â swyddogion neu i sefydlu gweithgor bach o aelodau'r Pwyllgor Llywodraethu ac Archwilio i sicrhau bod yr holl gwynion yn cael eu monitro a'u cofnodi'n gywir, gan fod y Pwyllgor o'r farn bod cwynion yn cael eu tangofnodi. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio y byddai'n fodlon cyfarfod ag Aelodau, ond nid oedd llawer o ryddid yn y maes gan fod ymdrin â chwynion yn swyddogaeth statudol, ac nid oes llawer o le i ddiwygio'r polisi.

Mynegodd aelod o'r Pwyllgor bryder ei bod yn ymddangos bod ysgolion yn anfon cwynion a dderbyniwyd i'r awdurdod pan ddylent fod yn dilyn yr un canllawiau ac yn delio â'r cwynion eu hunain. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio y byddai'n codi'r mater hwn gyda'r Cyfarwyddwr Corfforaethol Addysg a Chymorth i Deuluoedd, sef bod ysgolion yn delio â chwynion yn uniongyrchol yn hytrach na thrwy'r broses gwyno.

Gofynnodd aelod o'r Pwyllgor i'r Cyngor dderbyn adroddiad ar Gwynion Corfforaethol tebyg i'r un a dderbyniodd y Cabinet. Dywedodd y Prif Swyddog Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio wrth y Pwyllgor bod Cwynion Corfforaethol yn un o swyddogaethau'r Cabinet, ond byddai'n cyflwyno adroddiad gwybodaeth ar Gwynion Corfforaethol i'r Cyngor.

PENDERFYNIAD: Bod y Pwyllgor wedi nodi'r adroddiad a phenderfynu ei fod am sefydlu Gweithgor i sicrhau bod pob cwyn yn cael ei monitro a'i chofnodi'n gywir, gan fod y Pwyllgor yn ystyried bod cwynion yn cael eu tangofnodi, a bod adroddiad gwybodaeth ar Gwynion Corfforaethol yn cael ei gyflwyno i'r Cyngor.

274. **CYNLLUN ARCHWILIO BLYNYDDOL YR ARCHWILIAD ALLANOL 2021-22**

Adroddodd cynrychiolydd Archwilio Cymru ar y wybodaeth ddiweddaraf o ran y gwaith Archwilio Ariannol a Pherfformiad a wnaed ganddynt yn ogystal â'r gwaith sydd eto i'w wneud.

Amlinellodd cynrychiolydd Archwilio Cymru y rhaglen waith a'r amserlen y mae'n rhaid i'r Archwilydd Cyffredinol ei gynhyrchu yn unol â Mesur Llywodraeth Leol (Cymru) 2021. Bydd y rhaglen waith yn cael ei hadrodd i'r Cyngor bob chwarter a bydd diweddariad llawn yn cael ei gyflwyno i'r Pwyllgor hwn ym mis Tachwedd 2021.

Rhoddodd cynrychiolydd Archwilio Cymru amlinelliad o'r asesiad cynaliadwyedd ariannol hefyd, ac roedd cam 2 wedi arwain at greu adroddiad lleol ar gyfer pob un o'r 22 prif gyngor yng Nghymru. Mae adroddiad cenedlaethol ar gynaliadwyedd ariannol yn

cael ei lunio a chaiff ei gyflwyno yng nghyfarfod nesaf y Pwyllgor ym mis Tachwedd 2021.

Dywedodd cynrychiolydd Archwilio Cymru wrth y Pwyllgor fod y Cyngor wedi cael ei asesu fel un a gynhaliodd sefyllfa ariannol gref yn ystod y pandemig ac un a gryfhaodd ei Strategaeth Ariannol Tymor Canolig. Mae effaith uniongyrchol COVID-19 ar gynaliadwyedd ariannol y Cyngor wedi'i liniaru gan gyllid ychwanegol gan Lywodraeth Cymru. Mae'r Strategaeth Ariannol Tymor Canolig hefyd wedi'i chryfhau i adlewyrchu pwysau cyllideb tymor canolig yn well yn ogystal â'r newidiadau a ragwelir yn y galw am wasanaethau. Dywedodd nad oes unrhyw risgiau amlwg i gynaliadwyedd ariannol y Cyngor o ran defnyddio ei chronfeydd wrth gefn, sy'n parhau i fod ar lefel gymharol uchel. Yn ystod y blynyddoedd diwethaf, mae'r Cyngor wedi tanwario ei gyllideb flynyddol yn gyson ac mae'n disgwyl tanwario eto yn 2020-21. Mae gan y Cyngor hanes o gyflawni'r rhan fwyaf o'i arbedion a gynlluniwyd yn ystod y flwyddyn. Fodd bynnag, yn yr un modd â chynghorau eraill, bydd nodi a chyflawni arbedion yn y dyfodol yn fwy heriol. Mae gan y Cyngor gymhareb hylifedd cadarnhaol sy'n ei rhoi mewn sefyllfa dda i fodloni rhwymedigaethau cyfredol.

Gofynnodd aelod o'r Pwyllgor pa ganran fyddai'n dda i'w gael mewn cronfeydd wrth gefn. Dywedodd cynrychiolydd Archwilio Cymru ei bod yn anodd mesur hyn, ond roedd lefel cronfeydd wrth gefn y Cyngor yn gymharol uchel o'i gymharu ag awdurdodau lleol eraill. Dywedodd y Prif Swyddog Dros Dro Cyllid, Perfformiad a Newid fod lefel cronfeydd wrth gefn yr awdurdod mewn sefyllfa dda, ac roedd hynny o ganlyniad i gyllidebu gofalus ac ymagwedd ofalus tuag at risgiau, gan gofio ei bod yn anodd rhagweld pryd y byddai bywyd arferol yn aildechrau ar ôl y pandemig. Dywedodd wrth y Pwyllgor fod y Cyngor o hyd yn ceisio dod o hyd i arbedion cyllidebol ar gyfer y blynyddoedd i ddod, a bod y Cyngor wedi derbyn lefelau sylweddol o gyllid gan Lywodraeth Cymru yn ystod y pandemig. Croesawodd yr adroddiad ar gynaliadwyedd ariannol ac roedd yn edrych ymlaen at yr adroddiad cenedlaethol, a bydd ymateb yn cael ei ddarparu ar ei gyfer. Dywedodd cynrychiolydd Archwilio Cymru wrth y Pwyllgor y bydd yr adroddiad cenedlaethol ar gael ar 28 Medi 2021.

PENDERFYNIAD: Nododd y Pwyllgor Adroddiadau'r Pwyllgor Llywodraethu ac Archwilio yn Atodiadau A ac Atodiad B.

275. **CYNNYDD YN ERBYN CYNLLUN SEILIEDIG AR RISG ARCHWILIO MEWNOL 2021-22**

Rhoddodd y Rheolwr Cleient Archwilio adroddiad ar ddatganiad sefyllfa i Aelodau'r Pwyllgor ynglŷn â'r cynnydd sy'n cael ei wneud yn erbyn y gwaith archwilio a gynhwysir ac a gymeradwywyd yng Nghynllun Seiliedig ar Risg Archwilio Mewnol 2020-21.

Dywedodd Rheolwr y Cleient Archwilio wrth y Pwyllgor fod y Cynllun Archwilio Mewnol ar gyfer 2021-22 wedi'i gymeradwyo gan y Pwyllgor Llywodraethu ac Archwilio ar 18 Mehefin 2021, a'i fod yn amlinellu'r aseiniadau sydd i'w cyflawni, a bydd yn cwmpasu digon i alluogi i farn gael ei roi ar ddiwedd 2021-22. Mae'r cynllun arfaethedig yn parhau i gydnabod risgiau penodol sy'n deillio o COVID-19, argaeledd staff archwilio a gwasanaeth, a'r heriau sy'n deillio o weithio o bell. Roedd hefyd yn caniatáu hyblygrwydd i ymateb i amgylchiadau newidiol a digwyddiadau posibl, megis ceisiadau am ymatebion i faterion newydd a allai ddod i'r amlwg.

Manylodd y Rheolwr Cleientiaid Archwilio ar gynnydd a statws pob adolygiad hyd at 31 Awst 2021. Roedd 7 eitem o waith wedi'u cwblhau ac roedd 4 archwiliad wedi arwain at roi barn. Roedd 3 archwiliad arall wedi'u cwblhau a'r adroddiadau drafft wedi'u cyhoeddi, ac roeddent yn disgwyl am adborth gan Adrannau Gwasanaeth. Roedd cyfanswm o 9 archwiliad yn cael eu cynnal ar hyn o bryd, a 12 arall wedi'u dyrannu i

archwilwyr a'r gwaith arnynt i ddechrau cyn bo hir. Yn seiliedig ar asesiad o gryfderau a gwendidau'r meysydd a archwiliwyd, a hynny drwy brofi effeithiolrwydd yr amgylchedd rheoli mewnol, nododd fod barn archwilio o sicrwydd sylweddol wedi'i rhoi i 2 adolygiad a gwblhawyd, a rhoddwyd barn o sicrwydd rhesymol i'r 2 adolygiad arall a gwblhawyd. Gwnaed pum argymhelliad â blaenoriaeth ganolig er mwyn gwella amgylchedd rheoli'r meysydd a adolygwyd, a 2 argymhelliad â blaenoriaeth isel. Mae holl argymhellion yn cael eu monitro i sicrhau bod gwelliannau'n cael eu gwneud.

Holodd yr aelod lleyg sawl archwiliad sydd eto i'w dyrannu. Dywedodd Rheolwr y Cleient Archwilio wrth y Pwyllgor fod archwiliadau wedi'u dyrannu i'r staff mewn swydd a'u bod wedi'u nodi yn yr atodiadau. Bydd gweddill yr archwiliadau'n cael eu dyrannu wrth i adnoddau staff ddod ar gael. Gellid dyrannu rhai o'r archwiliadau hynny'n allanol yn sgil cwblhad a dyfarniad tendr diweddar am gymorth allanol.

Holodd yr aelod lleyg am sefyllfa archwiliad WCCIS. Dywedodd Rheolwr y Cleient Archwilio wrth y Pwyllgor nad oedd yr archwiliad hwn wedi'i ddyrannu eto, ond byddai'n digwydd yn ystod chwarter 4 y flwyddyn ariannol. Cyfeiriodd yr aelod lleyg at faint o waith sy'n gysylltiedig â TGCh a'r pennawd Archwilio TGCh o fewn y cynllun, a gofynnodd a oedd y dull hwn yn dameidiog braidd, ac a ellid eu cysylltu, ac a oes modd adolygu'r systemau TGCh hynny hefyd. Dywedodd Rheolwr y Cleient Archwilio fod gan yr Archwiliad Mewnol archwilydd cyfrifiadurol a fyddai'n cynnal archwiliadau o systemau TGCh a nodwyd ac a ddyrannwyd. Mae'r archwiliad o Refeniw a Budd-daliadau yn llawer ehangach na'r archwiliad o'r system TGCh, a bydd hefyd yn edrych ar reolaethau a risgiau disgwylidig ar agweddau eraill ar y maes gwasanaeth. Gofynnodd yr aelod lleyg a ellid grwpio'r archwiliadau hyn gyda'i gilydd yn y cynllun i alluogi'r Pwyllgor i gael gwell dealltwriaeth o ba rai sy'n archwiliadau o systemau TGCh. Dywedodd Rheolwr y Cleient Archwilio wrth y Pwyllgor fod yr archwiliadau wedi'u grwpio gyda'i gilydd yn y cynllun ar hyn o bryd yn ôl Cyfarwyddiaeth, ond addawodd i ystyried yr awgrym o grwpio archwiliadau systemau TGCh gyda'i gilydd yn y cynllun.

Cyfeiriodd aelod o'r Pwyllgor at y Cynllun Ariannol ar gyfer Ysgolion, a holodd a roddir awdurdod gan Swyddog Adran 151 pan fydd asedau sydd dros lefel benodol yn cael eu gwaredu, gan fod yr asedau hynny'n perthyn i'r awdurdod, ac a oedd archwiliad o hyn wedi'i gynnal. Dywedodd Rheolwr y Cleient Archwilio wrth y Pwyllgor na chynhaliwyd archwiliad diweddar ar y maes penodol hwn, ond mae'n bosibl y gellid nodi asedau a'u gwarediad o fewn ysgolion yn y cynllun eleni. Dywedodd y Dirprwy Bennaeth Cyllid wrth y Pwyllgor, pan fo ased o werth isel, fod yn rhaid i'r ysgol ofyn am gymeradwyaeth gan ei chorff llywodraethu i ddechrau. Byddai gwaredu asedau hefyd yn ddarostyngedig i delerau ac amodau cyllid grant.

PENDERFYNIAD: Nododd y Pwyllgor gynnwys yr adroddiad a'r cynnydd a wnaed yn erbyn Cynllun Seiliedig ar Risg Blyneddol Archwilio Mewnol 2021-22.

276. **BLAENRAGLEN WAITH DIWYGIEDIG 2021-22**

Gofynnodd y Dirprwy Bennaeth Cyllid am gymeradwyaeth ar gyfer Blaenraglen Waith arfaethedig 2021-22, a thynnodd sylw at swyddogaethau craidd unrhyw Bwyllgor Archwilio effeithiol. Tynnodd sylw at yr eitemau y bwriedir eu cyflwyno yng nghyfarfod nesaf y Pwyllgor ar 11 Tachwedd 2021, a gofynnodd i'r Pwyllgor gymeradwyo'r atodlen hon, i gadarnhau'r rhestr o bobl yr hoffent eu gwahodd ar gyfer pob eitem (os yw'n briodol), ac i nodi a oes angen unrhyw wybodaeth neu ymchwil ychwanegol.

PENDERFYNIAD: (1) Bod y Pwyllgor wedi ystyried a chymeradwyo'r Flaenraglen Waith arfaethedig ar gyfer 2021-22.

PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 9 MEDI 2021

(2) Y dylid ystyried y gweithgor arfaethedig i edrych ar Gwynion Corfforaethol yng nghyfarfod y Pwyllgor ym mis Tachwedd

(3) Bod adroddiad ar strwythur ac aelodaeth y Pwyllgor Llywodraethu ac Archwilio yn cael ei gyflwyno i gyfarfod y Pwyllgor ym mis Tachwedd.

277. **EITEMAU BRYD**

Nid oedd unrhyw eitemau brys.

Daeth y cyfarfod i ben am 15:28

This page is intentionally left blank

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY

GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD

1. Purpose of report

- 1.1 The purpose of this report is to provide Members with an update on the Governance and Audit Committee Action Record.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 An Action Record has been devised to assist the Committee in tracking the decisions made by the Committee in the exercise of its functions.

4. Current situation/proposal

- 4.1 In order to assist the Governance and Audit Committee in ensuring that decisions made by the Committee are actioned and implemented, the Action Record is attached at **Appendix A**. The Action Record will be presented to each meeting of the Committee for approval.

5. Effect upon policy framework and procedure rules

- 5.1 There is no impact on the policy framework and procedure rules.

6. Equality Act 2010 Implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is primarily an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 The Committee is recommended to note the Action Record and provide any comment upon this, as appropriate.

Kelly Watson

**Chief Officer – Legal & Regulatory Services, HR and Corporate Policy
November 2021**

Contact Officer: Mark Anthony Galvin
Interim Democratic Services Manager

Telephone: (01656) 643148

E-mail: Mark.Galvin@bridgend.gov.uk

Postal address: Democratic Services
Chief Executive's Directorate
Level 4
Civic Offices
Angel Street
Bridgend
CF31 4WB

Background Documents:

None

Governance and Audit Committee Action Record

Date of Committee / Minute Number	Agreed Action	Lead	Target Date	Progress	Date for action to be brought to Committee	Completed Date
12 November 2020 / 214	Audit Wales Governance & Audit Committee Update	Audit Wales	January 2021	Report on the Bridgend Financial Sustainability Assessment	September 2021	Completed September 2021
22 April 2021 / 240	Local Government and Elections (Wales) Act 2021	Interim Chief Officer – Finance, Performance and Change	November 2021	That Committee awaits a report to consider issues regarding the Complaints process, including the different types of these as well as how many are received over a specific period of time.	September 2021	Completed September 2021
22 April 2021 / 241	Disabled Facilities Grant – Progress Report and Position Statement	Head of Partnerships	July 2021	That Committee awaits data information, should this be available, on the average number of days taken to deliver a Disabled Facilities Grant for the year 2019/20 and 2020/21, if for the latter this was actually collated (due to the Covid-19 pandemic), as part of a wider update report.	November 2021	
18 June 2021 / 252	Audit Wales Governance and Audit Committee Reports	Audit Wales Interim Chief Officer – Finance, Performance and Change / Head of Partnership Services	Autumn 2021	<p>1. That further financial audit work beyond the ‘scoping phase’ is to be undertaken on the ‘Springing Forward’ project. – Audit Wales updated that the springing forward project is a performance audit project. There is no financial audit involvement in this review and this project is included in Wales Audit’s performance audit work programme update.</p> <p>2. Audit Wales to confirm to Members the key officer contacts in BCBC they link in with, for the submission of reports on earmarked future agenda items to be submitted to Committee – Audit Wales confirmed the key contacts for Audit Wales reports.</p> <p>3. That a progress report on the Digital Strategy be provided.</p>	November 2021 July/September 2021 January 2022	Completed September 2021 Completed September 2021
18 June 2021 / 255	Annual Governance Statement 2020-21	Interim Chief Officer – Finance,	July 2021	To confirm at the next Committee meeting the reason why there was not a completed tick against the objective entitled ‘A Resilient Wales – and Helping People in Communities to be more	September 2021	Completed

Date of Committee / Minute Number	Agreed Action	Lead	Target Date	Progress	Date for action to be brought to Committee	Completed Date
		Performance and Change		Healthy and Resilient', in the Table within the report that identified BCBC's well-being goals/objectives		
22 July 2021 / 261	Governance and Audit Committee Action Record	Audit Wales	September 2021	Local and National financial sustainability reports to be presented to Committee, or alternatively, for Members to receive further updates on the progress of these reports. National report is due to be published by the end of September and will be available for the next committee.	November 2021	
22 July 2021 / 266	Corporate Risk Register	Interim Chief Officer – Finance, Performance and Change	September / November 2021 September / November 2021	<ol style="list-style-type: none"> 1. That in relation to the Risk Register Members be updated on any risks involving BCBC and partners (other than Cwm Taff Health Board previously discussed at the last meeting). 2. That Members be provided with an update on mitigation being taken with regards to risks 14 and 15 relating to schools due to these risks being classed as high. 	September / November 2021 September / November 2021	
22 July 2021 / 268	Updated Forward Work Programme	Interim Chief Officer – Finance, Performance and Change	TBC	A further report be presented to committee in due course on work both proposed and undertaken to date with regards to the Local Government Elections 2022.	TBC	
9 September 2021 / 273	Corporate Complaints	Chief Officer Legal, HR & Regulatory Services	November 2021	<ol style="list-style-type: none"> 1. A Working Party to ensure all complaints are monitored and recorded accurately as the Committee considered there is an under recording of complaints. 2. The Chief Officer Legal, HR & Regulatory Services meet with Members to discuss the handling of complaints. 3. An information report on Corporate Complaints be presented to Council. 4. Information as to the shortfall of 10 cases be provided to the Committee. 	November 2021	
9 September 2021 / 276	Updated Forward Work Programme 2021-22	Chief Officer Legal, HR & Regulatory Services	November 2021	The structure and membership of the Governance and Audit Committee be reported to the November meeting of the Committee	November 2021	

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE MONITORING OFFICER

CHANGES TO THE MEMBERSHIP OF THE GOVERNANCE AND AUDIT COMMITTEE

1. Purpose of report

- 1.1 The purpose of this report is for the Committee to note changes to the membership of the Governance and Audit Committee to take effect following the Annual Meeting of Council on 18 May 2022.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 The establishment of Committees and other bodies will fulfil the requirements of the Constitution and enable the Council to work towards the successful achievement of its Corporate Well-being Objectives.

3. Background

- 3.1 Whilst the Authority already has a Governance and Audit Committee, the Local Government (Wales) Measure 2011 made this a statutory requirement. The Measure makes a number of requirements in relation to the Audit Committee's membership, including the appointment of the Chairperson and the Committee's remit.

- 3.2 The Measure 2011 statutory guidance requires Audit Committees to have the following statutory functions:

- Review, scrutinise and issue reports and recommendations in relation to the authority's financial affairs.
- Review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements.
- Oversee the Authority's audit arrangements and review its financial statements.

3.3 The Governance and Audit Committee can decide how it wants to carry out its functions but it must have regard to the statutory guidance issued by the Welsh Government under Section 85 of the Measure 2011.

3.4 The Local Government and Elections (Wales) Act 2021 has added additional responsibilities to the Committee linked with governance including consideration of aspects of performance and complaints.

4. Current situation / proposal

4.1 The current membership of the Governance and Audit Committee comprises 12 Bridgend County Borough Council (BCBC) Members and one Independent (Lay) Member. In terms of the Lay Membership of this Committee, the current Lay Member, Ms J Williams, was reappointed for a further term at the Annual Meeting of Council on 17 May 2017 and, in accordance with the Measure, she is allowed to sit for a maximum of two terms on the Committee in this capacity. This term will expire in May 2022.

4.2 Members will recall that, under the Local Government and Elections (Wales) Act 2021, it will be a legislative requirement from 5 May 2022 for one third of the membership of the Committee to be Lay Members and for the Chairperson to be a Lay Member. On 20 October 2021, Council approved a change to the membership of the Committee to 12 Members consisting of 8 BCBC Members and 4 Lay Members and further approved the appointment of additional Lay Members to ensure it is compliant with the legislation from 5 May 2022 onwards. The allocation of seats to the Committee will then be determined at the Annual Meeting of Council on 18 May 2022 in accordance with the political composition of the Council at that time.

4.3 Under the Local Government (Wales) Measure 2011 statutory guidance paragraph 9.27 relates to the appointment of Lay Members and states:

- (a) Lay Members should be independent from the council and have no business connection with it, although knowledge of how local government functions would be a definite advantage;
- (b) In appointing Lay Members whose political allegiances are well known, local authorities should consider if this compromises the independence from the council a Lay Member should possess.

4.4 The guidance recommends a Lay Member should not be appointed for more than two full terms of a local authority. Any Lay Member with voting rights is subject to the provisions of the Code of Conduct for Members.

4.5 The following recruitment process will commence as outlined below.

- 4.5.1 In order to comply with legislation, national adverts have been placed in conjunction with the Welsh Local Government Association, as well as on the Council's website, to advertise the positions. In addition, to promote greater awareness and encourage wider applications, details of the position were sent to as many stakeholder organisations and networks as possible.
- 4.5.2 Applicants will be required to complete an application form. All applications received will then be presented to an Officer Panel consisting of the Monitoring Officer, Chief Finance Officer and Head of Internal Audit to decide on a shortlist of applicants to be interviewed. In considering a shortlist for interview, it is proposed that the following criteria is used:
- Interest and knowledge/experience of financial, risk and performance management, audit, accounting concepts and standards, and the regulatory regime within Wales;
 - Objective and independent of mind with an unbiased attitude and ability to apply discretion;
 - Supportive of good governance principles and their practical application towards the achievement of organisational objectives;
 - Strategic thinker with excellent communication skills;
 - Ability to understand and weigh up evidence and challenge respectfully.
- 4.5.3 Shortlisted candidates would be interviewed by the Panel and, if appropriate, appointed as successful candidates as Lay Members to the Governance and Audit Committee.

5. Effect upon policy framework and procedure rules

- 5.1 The Constitution will require amending in relation to the membership of the Governance and Audit Committee.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act 2010, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial Implications

8.1 Independent Members will be entitled to remuneration under the Council's Schedule of Remuneration for Members as follows: £210 daily fee, £105 half day fee. This will be met from the Democratic Services budget.

9. Recommendations

9.1 It is recommended that the Committee:

- note the changes to the membership of the Governance and Audit Committee as outlined at paragraph 4.2 of the report to take effect following the Annual Meeting of Council on 18 May 2022;
- receive a further report advising of the appointments of appropriate Lay Members.

**Kelly Watson,
Chief Officer – Legal, HR Regulatory Services and Corporate Policy
October 2021**

**Contact Officer: Kelly Watson
Chief Officer – Legal, HR Regulatory Services and Corporate
Policy**

Telephone: (01656) 643106

E-mail: Kelly.watson@bridgend.gov.uk

Postal Address: Civic Offices,
Angel Street,
Bridgend
CF31 4WB

Background Documents: None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS

1. Purpose of report

- 1.1 The purpose of this report is to submit to the Committee reports from Audit Wales, including an update on the financial and performance audit work undertaken, and due to be undertaken, by Audit Wales.

2. Connections to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.
- 2.2 The Council's performance is an important element in determining the extent to which the well-being objectives can be delivered.

3. Background

- 3.1 Audit Wales undertakes a programme of work during the year to help the Auditor General discharge his duties under the Public Audit (Wales) Act 2004. The Auditor General's functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. The Auditor General also assesses the extent to which public bodies are complying with the sustainable development principle when setting and taking steps to meet their well-being objectives.
- 3.2 Part 2 of the 2004 Act sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.
- 3.3 In accordance with Section 89 of the Local Government and Elections (Wales) Act 2021 the Authority is required to keep under review the extent to which it is exercising

its functions effectively, using its resources economically, efficiently and effectively and ensuring its governance is effective for securing these performance requirements.

4. Current situation/proposal

4.1 Audit Wales has produced a number of reports for the Governance and Audit Committee to consider. These are:

- **The Audit Wales Work Programme and Timetable - (Appendix A)** - , under the Local Government and Elections (Wales) Act 2021, the Auditor General is required to produce a work programme update for each financial year for each principal council covering both his functions and those of 'relevant regulators' (Care Inspectorate Wales and Estyn). As reported at the meeting in July, Audit Wales will provide an updated version of this report to the Council on a quarterly basis. The report presented to the Committee in July 2021 was for the position as at 30th June 2021, and this was presented to the Committee again for information at the meeting in September 2021. **Appendix A** is an updated position as at 30th September 2021.
- **Financial Sustainability of Local Government – Covid-19 Impact, Recovery and Future Challenges - (Appendix B)** – this report outlines the findings from Audit Wales' work on local government financial sustainability during 2020-21. It highlights key themes and findings from their work, some commentary on funding pressures, and some reflections on how Councils' future financial sustainability could be strengthened.

5. Effect upon policy framework and procedure rules

5.1 There is no impact on the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

- 9.1 That the Committee notes the Audit Wales Governance and Audit Committee Reports at **Appendix A** and **Appendix B**.

Gill Lewis

Interim Chief Officer – Finance, Performance and Change

November 2021

Contact Officer: Deborah Exton
Deputy Head of Finance

Telephone: (01656) 643604

E-mail: deborah.exton@bridgend.gov.uk

Postal Address: Bridgend County Borough Council
Raven's Court
Brewery Field
Bridgend
CF31 4AP

Background Documents: None

This page is intentionally left blank

Audit Wales Work Programme and Timetable – Bridgend County Borough Council

Quarterly Update: 30 September 2021

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2020-21 statement of accounts	To confirm whether the statement of accounts provide a true and fair view.	Audit Opinion by 31 July 2021	Audit work complete. Audit Opinion by 31 July 2021.
Audit of the 2020-21 Returns for Porthcawl Harbour Authority and Coychurch Crematorium Joint Committee	To confirm that the returns have been completed correctly.	Audit Opinion by 31 July 2021	Audit work complete. Audit Opinion by 31 July 2021 for Porthcawl Harbour Authority. Audit Opinion by 30 September 2021 for Coychurch Crematorium Joint Committee
Audit of the Council's 2020-21 Grants and Returns	Audit of 5 claims as required by the terms and conditions of the grants.	In line with the individual deadlines for each grant claim.	Audit work to be performed Oct to Dec 2021

Performance Audit work

2020-21 Performance Audit Work	Scope	Timetable	Status
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges building on work undertaken during 2019-20.	Spring/Summer 2021	Final local report issued to the Council in August 2021 National Summary Report published 30 September 2021
Digital	Review of the Council's arrangements to become a Digital Council	Autumn 2020-Spring 2021	Complete. Final report issued to Council June 2021
Annual Audit Summary (AAS)	Annual report summarising the performance and financial audit work undertaken in 2020-21 which also includes a summary of the key findings from reports issued by 'relevant regulators'. Also now combined with the Annual Audit Letter	December 2021	Not yet started

2021-22 Performance audit work	Scope	Timetable	Status
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	We will seek to integrate the delivery of our WFG examinations of steps to deliver wellbeing objectives with our other audit work. We will discuss this with the council as we scope and deliver the audit projects listed in this plan.	N/A	N/A

Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.	October 2021	Not yet started
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At BCBC the project is focussing on:</p> <ul style="list-style-type: none"> • financial position • self-assessment arrangements • recovery planning • implications of the Local Government and Elections (Wales) Act • carbon reduction plans • statutory building compliance 	April 2021-March 2022	Underway
Springing Forward – Examining the building blocks for a sustainable future	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.	Planned for Autumn 2021 onwards – to be confirmed following scoping.	Project scoping
Follow-up review – Disabled Facilities Grants	Follow up the Council's progress to address the findings from our disabled facilities grants (DFG) review.	July- November 2021	Underway
Review relating to the Cwm Taf Morgannwg health partnership following the Council's transition	A review (covering RCT, Bridgend and Merthyr Tydfil councils and Cwm Taf Morgannwg University Health	October 2021- January 2022	Scope agreed with the Council. Fieldwork to be

to the partnership in 2019.	Board) to gain assurance that the health board and the three councils are working together effectively through the aegis of the Transformation Leadership Programme Board to support regional integrated working across the Cwm Taf Morgannwg region.		arranged for autumn 2021
Annual Audit Summary	Annual report summarising the performance and financial audit work undertaken in 2020-21 which also includes a summary of the key findings from reports issued by 'relevant regulators'. Also now combined with the Annual Audit Letter	December 2022	Not yet started

Local government national studies planned / in progress

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend Council
Direct Payments	Review of how local authorities manage and promote the use of Direct payments	Publication Winter 2021-22	Drawing conclusions mid October, drafting and publication early 2022	No – work being delivered via Direct Payment Forum and a selection of follow up interviews
Emergency Services	Review of how well emergency services (blue light) collaborate	Publication winter 2021-22	Drafting report	No

Follow up on People Sleeping Rough	Review of how local authorities responded to the needs of people sleeping rough during the pandemic following up on the AGWs report of July 2020	TBC	Project set up	No – work being delivered via Homelessness and Supporting People Forum
Poverty	Understanding how local authorities ensure they deliver their services to minimise or reduce poverty.	TBC	Project brief issued and contacts at councils being collated	TBC
Social Enterprises	Review of how local authorities are supporting and utilising social enterprises to deliver services	TBC	Project brief issued and contacts at councils being collated	TBC
Community Resilience	Review of how local authorities can build greater resilience in communities	TBC	Project brief issued and contacts at councils being collated	TBC

Estyn

Estyn planned work 2021-22	Scope	Timetable	Status
Local Government Education Services Inspections	Estyn have worked closely with Directors of Education to review their inspection guidance for local government education services to reflect the experiences of the pandemic. The updated guidance (published on 1 July) will be piloted on the first inspection and feedback will be sought on whether any further refinements need to be made.	LGES inspections to resume from late Autumn term	N/A
Curriculum Reform thematic review	Regional consortia and local authority support for curriculum reform.	Evidence collecting in Sept/Oct - publish in early February	N/A

Care Inspectorate Wales (CIW)

CIW planned work 2021-22	Scope	Timetable	Status
Assurance	CIW will be completing its work on Assurance Checks including publication of a national overview report.	Anticipated publication date of overview report - end of October 2021	Assurance checks completed. Drafting the national overview report
National review	Support for disabled children and their families.	Anticipated publication date of overview report - end of November 2021	Review completed. Drafting the national overview report
Follow-up	CIW will be following up on areas for improvement identified in the Assurance Checks or through risk based inspection activity with individual local authorities where necessary.	December 2021	Annual Director's meetings currently being scheduled
Inspection	Risk based inspection activity will continue where required.	tbc	Planning programme of inspection and review activity

Audit Wales national reports and other outputs published since 1 April 2021

Report title	Publication date and link to report
Financial Sustainability of Local Government	September 2021
NHS summarised accounts infographic	September 2021
Picture of Public Services ¹	September 2021
Town Centre Regeneration	September 2021
Student finances	August 2021
NHS finances data-tool 2020-21	June 2021
Rollout of the COVID-19 vaccination programme in Wales	June 2021
Quality governance arrangements at Cwm Taf UHB – follow up	May 2021
Welsh Health Specialised Services Committee governance arrangements	May 2021
At your Discretion - Local Government Discretionary Services	April 2021
Procuring and Supplying PPE for the COVID-19 Pandemic	April 2021

¹ Main report published 15 September. To be followed over the following four to six weeks by short sector commentaries: A picture of local government, A picture of healthcare, A picture of social care, A picture of schools, A picture of higher and further education.

Audit Wales National reports and other outputs due to be published during 2021-22 (and other work in progress/planned)²

Title	Anticipated publication date
Supporting NHS staff well-being	October 2021
Warm Homes Programme	November 2021
Care home commissioning	November 2021
Welsh Government accounts commentary	November 2021
Unscheduled care – data tool and commentary	By end of 2021
Collaborative arrangements for managing local public health resources	By end of 2021
NHS waiting times data-tool and planned care commentary	By end of 2021
Welsh Government setting of well-being objectives	By end of 2021
Welsh Government workforce	By end of 2021
Orthopaedic services	By end of 2021
Curriculum reform	Spring 2022
Equality impact assessment	Spring 2022

² We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for a new Public Accounts Committee following the Senedd elections.

Climate change – baseline review	Spring/summer 2022
COVID response & recovery / Welsh Government grants management	TBC
NHS structured assessment 2021 summary commentary	TBC
Affordable housing	TBC
Broadband infrastructure	TBC
Flood risk management	TBC

Forthcoming Good Practice Exchange events and publications

Title	Anticipated publication/event date
Post event resources including session recordings for both the Part 2 Your Town Your Future town centre regeneration event and the Future Workplace lunch and learn session with Dr Luci Attala and Hywel Dda UHB	Early October 2021
Transatlantic Conversations, Wales and Nova Scotia – discussing Housing	28 October 2021 (3pm)
Organisational Resilience	December 2021 (date tbc)

Financial Sustainability of Local Government

COVID-19 Impact, Recovery and Future Challenges

September 2021

This document has been prepared as a summary of work performed in accordance with Section 17 of the Public Audit (Wales) Act 2004.

No responsibility is taken by the Auditor General or the staff of Audit Wales in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Councils have received significant extra funding to deal with the pandemic, but the future sustainability of the sector remains challenging against a backdrop of other financial pressures.

Background – our work on local government financial sustainability over 2020-21	4
The bigger picture – borrowing, spending and demand pressures	5
Financial sustainability – key findings from our work	9
Four steps to help improve councils' financial sustainability	13
Audit Wales future work on councils' financial sustainability	15



Background

Our work on local government financial sustainability during 2020-21

Over 2020-21 we looked at the financial sustainability of each of the 22 councils in Wales, including:

- the financial impact of the pandemic;
- financial strategies;
- reserves position;
- performance against budget; and
- savings delivery and liquidity (the extent to which current assets are able to cover debt).

This report highlights some key themes and findings from our work, some commentary on funding pressures, and some reflections on how councils' future financial sustainability could be strengthened.

Main report

The bigger picture – borrowing, spending, and demand pressures

Extra short-term funding has helped but longer-term challenges and uncertainties remain

- The UK and Welsh Governments put in place major funding streams and grants in response to the pandemic – but these spending patterns are unlikely to be sustained.
- Our Picture of Public Services report published in September 2021 set out further information and analysis of public sector spending and future projections.
- Local government has a key role in supporting and shaping recovery from the pandemic, both as a provider of a wide range of key local services, and also through its community leadership role, including working with a range of partners.

Local government financial sustainability – how the situation in Wales compares with England

- England – the National Audit Office found that the financial position of local government remains a cause for concern with the outlook looking uncertain, and noted the reliance of many councils on using reserves to balance their 2020-21 budgets¹.
- Wales – councils have not generally relied on their reserves to balance their 2020-21 budgets, largely due to the additional funding made available to them to mitigate the impact of the pandemic. But significant future challenges remain.

¹ National Audit Office, [Local government finance in the pandemic](#), March 2021

Exhibit 1: how councils’ usable financial reserves² had changed before the pandemic

All Wales total for unitary authorities, Total usable revenue reserves not protected by law

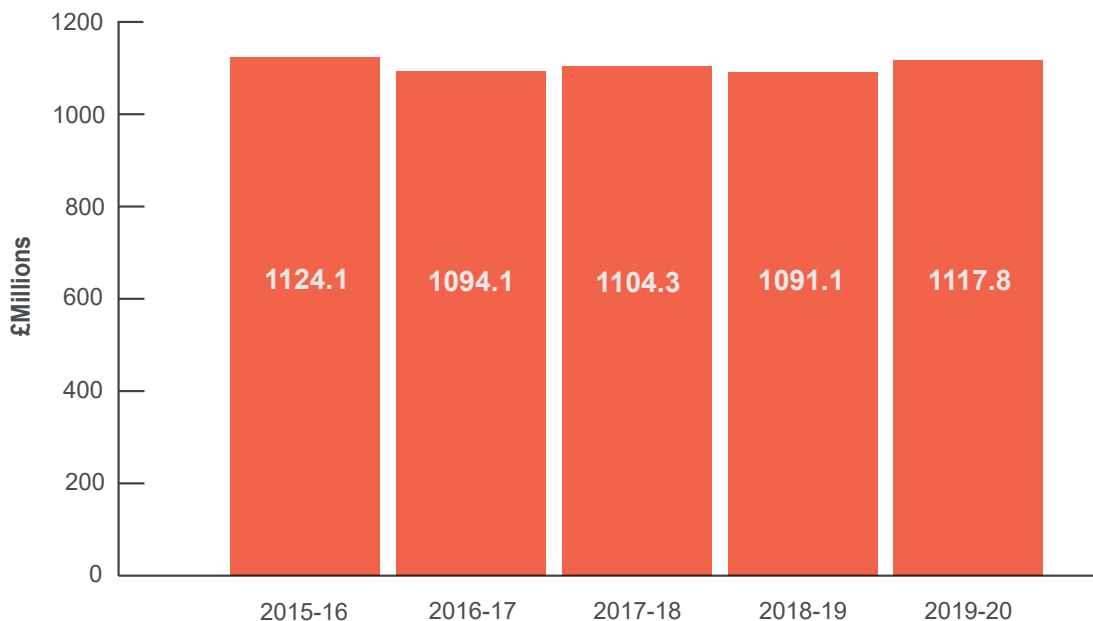
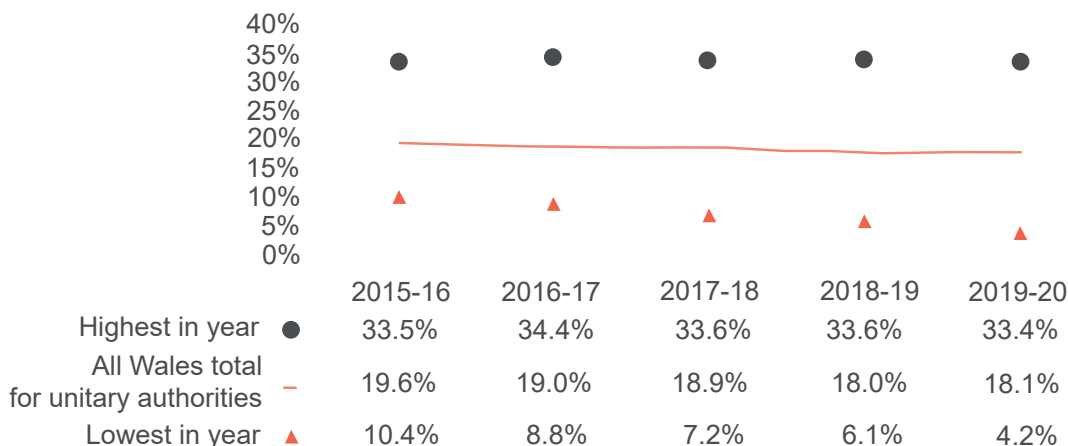


Exhibit 2: amount of usable reserves as a percentage of net cost of services over time

The following exhibit shows the average, highest and lowest values for the principal councils in Wales at the end of each financial year from 2015-16 to 2019-20.

Total Usable Reserves as a % of net cost of services



Lowest and highest refer to the value of an individual council in that particular year.

2 We define usable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

Public sector borrowing has increased during the pandemic and future funding levels are uncertain

- UK government borrowing has increased significantly during the pandemic³.
- Future funding levels remain uncertain, for example, in March 2021 Cardiff University described the outlook for the Welsh budget as ‘highly uncertain’⁴. The Chartered Institute of Public Finance & Accountancy (CIPFA) have also highlighted the uncertainty around public sector funding in the future.
- There is likely to be significant pressure on local government funding, in particular for those service areas that are not prioritised as part of future budget-setting⁵.

Demand for some services is likely to increase

- Our recent report on discretionary services⁶ highlights rising demand for some council services. The infographic on the following page, from that report, summaries some key demand pressures.
- Demand pressures from the pandemic will potentially continue, for example, for additional education provision to catch up on lost time during school closures. The longer-lasting implications of the pandemic on demand for local government services are as yet unknown.

Spending on discretionary local government services had already reduced before the pandemic

- Reductions in funding had already led to some service cuts before the pandemic⁷. Although the pandemic has raised the profile of local government services and in particular the role they play in helping to keep people safe and healthy.

3 CIPFA, [Local authorities face a financial reckoning](#), November 2020

4 Wales Fiscal Analysis, [Welsh Election 2021 Fiscal outlook and challenges for the next Welsh Government Welsh Election Briefing](#), April 2021

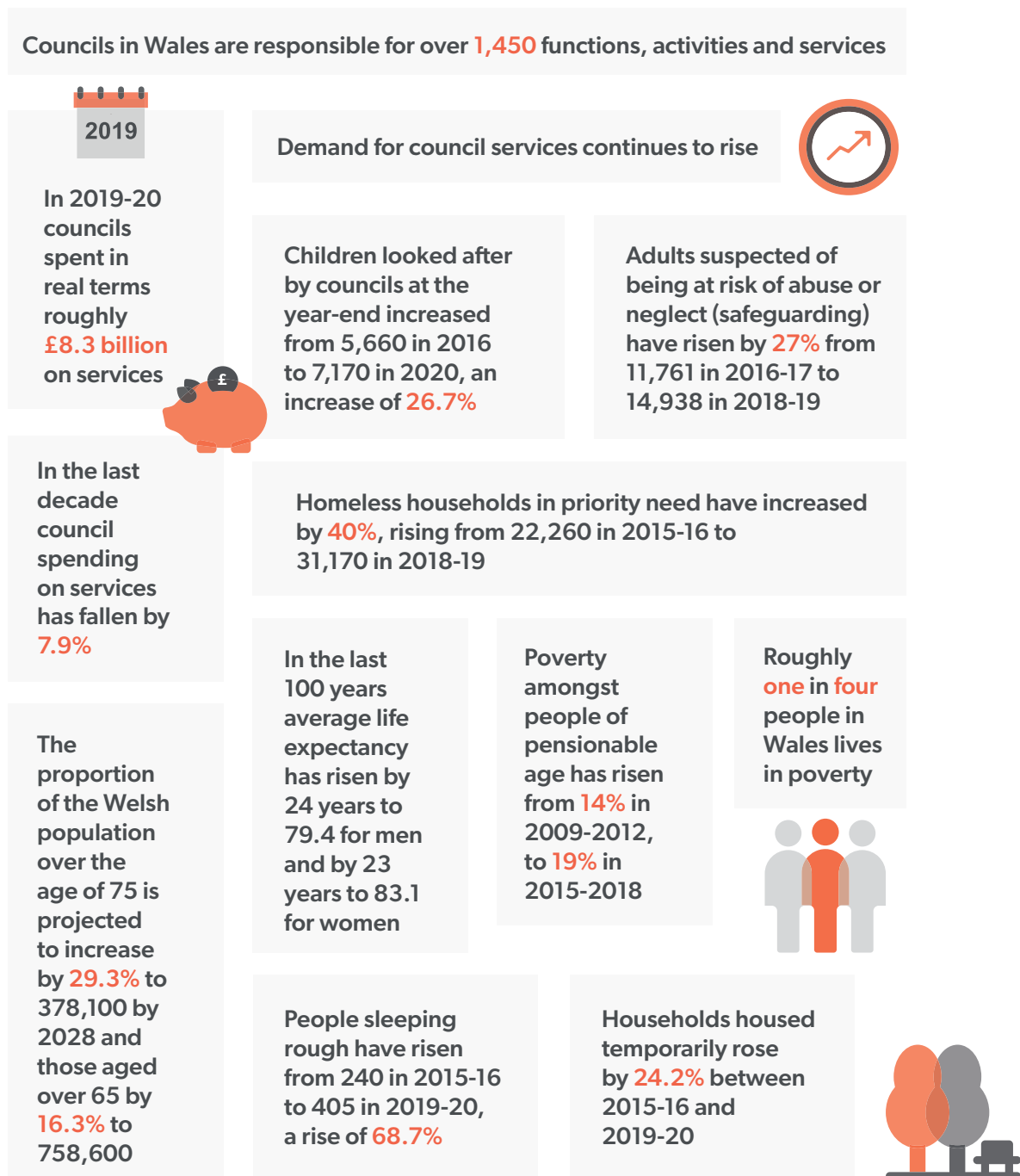
5 Wales Fiscal Analysis, [Local government finance: the state of play in 2021-22](#), March 2021

6 Audit Wales, [At your Discretion - Local Government Discretionary Services](#), April 2021

7 Audit Wales, [At your Discretion - Local Government Discretionary Services](#), April 2021

Exhibit 3: key facts about council services and demand⁸

The following exhibit shows some key facts about council services including some key demand pressures.



Note: The £8.3 billion figure for total council spending covers the total revenue spending on services and includes spending on some non-service areas such as repayment of borrowing, levies pensions and appropriations to reserves. The figure is net of income, such as charges and fees, generated by services. The gross expenditure on services in 2019-20 was £9.2 billion.

Financial sustainability – key findings from our work

Our findings from October 2020

- In October 2020, we said: ‘Councils and the Welsh Government have worked well together to mitigate the impact of the pandemic to date, but the future sustainability of the sector is an ongoing challenge.’ We also noted that ‘some Councils were better placed financially than others to deal with the financial challenges posed by the pandemic⁹.’

Overall findings from our work in 2020-21

- We found that Councils have received significant extra funding to deal with the pandemic, but the future sustainability of the local government sector remains challenging against a backdrop of other financial pressures.
- After publishing our national summary report in October 2020, we then looked at the financial sustainability of each principal council in Wales.
- We produced local reports for each council.
- Due to the extra funding councils have received in response to the pandemic, the financial position has improved for all 22 councils this year.
- But the overall picture of councils’ financial sustainability remains mixed, some councils are still better placed than others to respond to future challenges.
- The next section summaries the key themes we identified through this work, including where relevant from our October 2020 report as well as our previous work on financial sustainability.

9 Audit Wales, Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic, October 2020

Key themes from our 2020-21 work

The financial impact of COVID-19

- We said in October 2020 that some councils were better placed financially than others to respond to the challenges of the pandemic.
- So far, the costs of COVID-19 have been mitigated at each council by extra funding from the Welsh Government.

Exhibit 4: The cost of COVID-19 over 2020-21

The following exhibit sets out the extra funding provided to councils by Welsh Government over 2020-21 in response to the COVID-19 pandemic.

- £660 million additional funding allocated by the Welsh Government to the Hardship Fund to cover councils' lost income and extra expenditure¹⁰.
- Other funding from the Welsh Government such as extra funding for teachers for catch-up support from education and cleaning materials for schools.
- Personal protective equipment (PPE) has also been provided free of charge to most local government bodies by the Welsh Government through NHS Shared Services.



Source: Welsh Government

Financial strategies

- Several councils have only undertaken limited analysis of the longer-term impact of COVID-19 (even in respect of working assumptions or scenarios) or the longer-term impact of changes to demand.
- Most, but not all councils include some council tax assumptions for the next four or five years in their financial strategies. These range from predicted increases of between 3% and 5%.
- Most, but not all, financial strategies also include Aggregate External Funding (AEF)¹¹ assumptions that vary between 0% and 3%. A few councils plan on the basis of best-to-worst-case scenarios.
- Overall, most of our local reports reflect on the ongoing work needed to develop a more sustainable approach to financial planning in the medium to long term.

¹⁰ Although the Welsh Government allocated £660 million, by the end of the financial year it reports having spent £587 million.

¹¹ Aggregate External Funding data includes Revenue Support Grant from the Welsh Government and Non-Domestic Rates.

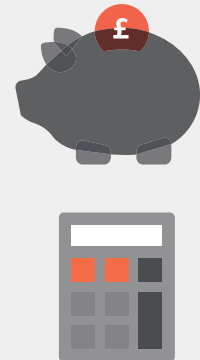
Reserves position

Exhibit 5: usable reserves – what we said in our October 2020 report¹²

The following exhibit summaries our key findings on councils' usable reserves¹³ position from our October 2020 report.

In October 2020 we reported:

- the usable reserves held by councils ranged from around £11 million to over £119 million.
- there was a wide range of usable reserves as a proportion of the net cost of services at each council: from 5% to 33%; and
- that Welsh councils in total held over £1 billion of usable reserves at the end of March 2020.



- Some councils have relatively high level of reserves that will support their ability to respond to challenges, and other councils have much lower levels of reserves, which will make meeting future challenges harder.
- After completing our local work we have also found that all councils increased the amount of reserves they held at the end of 2020-21. Councils have reported an increase of over £450 million in reserves during 2020-21. We will report further on this following our audit of 2020-21 accounts.
- Some councils have a good track record in recent years of avoiding using reserves to balance their budget.
- Some councils have relied on unplanned use of reserves to balance budgets. This approach is unlikely to be sustainable, particularly for those councils whose levels of usable reserves were already relatively low.
- A consistent pattern of using reserves, even in a planned way, to balance revenue expenditure is unlikely to be sustainable as it risks depleting reserves to unsustainable levels.

Performance against budget

- After large transfers to reserves, most councils reported either relatively small underspends or overspends overall in 2020-21, a similar pattern to the previous two financial years.

¹² Audit Wales, [Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic, October 2020](#).

¹³ By usable reserves we mean the total general fund balance, together with earmarked reserves that councils are not legally prevented from redirecting to use for another purpose. This is the total of the general fund, earmarked reserves, and schools' balances. It excludes the HRM Capital receipts and capital grants unapplied.

- Most councils also continued to show significant overspends in some service areas; in many councils, social services were an example of this.
- The pandemic, along with longer-term challenges, means that now more than ever, councils will need to manage budgets effectively and ensure that services or areas of consistent overspends are addressed.

Savings delivery

- Last year we found that most councils delivered the majority of their savings, but very few delivered all of their planned savings in previous years. We found the same pattern over 2020-21, as well as that some councils delivered all of their savings targets, although not as they had planned.
- Savings plans have understandably been affected by the pandemic. Changes in demand for services, workforce re-deployment and other action taken in response to the pandemic are all likely to have had an impact on the achievement of some savings.
- In a number of councils, service areas were still able to deliver their savings targets. Some service areas found it easier to deliver savings because of:
 - additional funding from the Welsh Government;
 - a reduced demand for services during the pandemic and/or;
 - reduced staff costs during the pandemic.
- Delivery of savings is likely to be even more challenging going forward given the scale of the projected funding gaps in some councils in future years, and that the above factors that helped some service areas to deliver savings over 2020-21 are unlikely to be recurring.
- Councils with robust and effective savings planning processes will be better placed to deliver on proposals and fulfil plans within the longer term.

Liquidity¹⁴


- Overall, most councils show a favourable and stable liquidity ratio (the ratio of current assets to its current liabilities) which suggests that those councils are in a good position to meet their current liabilities.
- A few councils show a relatively low liquidity ratio. In itself this is not a particular problem. But if levels of reserves are also relatively low and if savings are not being achieved, taken together this could indicate a lack of resilience.



¹⁴ Liquidity means the ratio of the council's assets to its liabilities

Four steps to help improve councils' financial sustainability

Exhibit 6: four steps to help with councils' financial sustainability

Based on the findings from our local work, together with the themes and challenges reflected on in this paper, the exhibit below summarises some key steps setting out what councils can do to improve financial sustainability.

1	<p>Financial strategies</p> 	<p>Understand short, medium and long-term challenges and clearly set out the overall priorities for the council's finances</p> <ul style="list-style-type: none"> • The Chartered Institute of Public Finance & Accountancy (CIPFA) highlights the uncertainty around public sector funding in the future, urging councils to use a range of data and forecasting work as part of their financial planning over the medium term¹⁵. • A clear and robust financial strategy is important to identify the likely level of funding available to a council, as well as the anticipated level of demand for, and cost of, providing services. • Given the anticipated funding pressures facing all councils, it is important to identify how to respond to those future pressures, and particularly how they will meet projected funding gaps. • Now is more important than ever to have a robust financial strategy that builds a picture of the council's financial situation over the medium to long term including well-evidenced projections around future demand pressures. • Councils should ensure that members are aware of, and understand, where their council's assumptions originate and where the assumptions sit in relation to those made by other councils. • The pandemic has also shown the benefits of building flexibility into financial strategies, and planning for different scenarios. Councillors should be presented with clear choices based on comprehensive and robust information including: <ul style="list-style-type: none"> - the total levels of reserves available to use; - future funding pressures; and - a full range of planning assumptions.
---	--	---

2	<p>Reserves</p> 	<p>Plan your approach to, and use of, reserves to ensure that it supports longer-term financial sustainability</p> <ul style="list-style-type: none"> • Healthy levels of usable reserves are an important safety net to support financial sustainability. • As well as being available to meet unexpected funding pressures, usable reserves can also be an important funding source to support ‘invest to save’ initiatives designed to reduce the ongoing cost of providing services or for transformation programmes. • Regularly reviewing the levels of reserves and considering if levels are appropriate will help to set priorities around use of reserves. • Councils should ensure that councillors understand the role of both usable and unusable reserves, and how these link to the overall and longer-term financial strategy for the Council.
3	<p>Performance against budget</p> 	<p>Know what’s realistic for services to achieve and then understand and act on areas of consistent overspends</p> <ul style="list-style-type: none"> • It is important that overspending and underspending are kept under control and that actual expenditure is as close to the levels planned as possible. • A council that is unable to accurately forecast and plan expenditure runs the risk of creating unforeseen financial pressures that may compromise the ability to set a balanced budget. • Significant patterns of underspending may be reducing the ability of a council to deliver its key objectives or meet its statutory responsibilities. • Seek to manage budgets effectively throughout the year, as opposed to one-off budget exercises.

4

Savings delivery**Understand what is realistic for services to deliver on savings or cost reductions and act on areas that do not consistently deliver planned savings**

- The ability to identify areas where specific financial savings can be made, and to subsequently make those savings, is a key aspect of ensuring ongoing financial sustainability.
- Where savings plans are not delivered this can result in overspends that require the use of reserves whilst increasing the level of savings required in future years to compensate.
- Where savings plans are not delivered and service areas are required to make unplanned savings, this increases the risk either of savings not being aligned to the Council's priorities, or of 'short-term' solutions that are not sustainable over the medium term.
- Now is more important than ever to get savings plans right, ensure that plans are realistic, and developed in collaboration between councillors, executive management teams and services.

Audit Wales future work on councils' financial sustainability

- For 2021-22, we will continue to monitor the financial position of individual councils through our ongoing audit work.
- Following completion of our audits of 2020-21 accounts we will also publish a financial sustainability data tool, including data on councils' year-end position for 2020-21, and continue to update this annually.
- We may undertake further work at some councils where we identify specific risks.
- We will return to national work in future where we believe the situation merits it and where we could add value.
- We will also consider the possibility of comparing the financial position of local government bodies in Wales with those across the UK as well as potential national work in relation to specific themes.
- In undertaking any potential future work, we will continue to engage with the Society of Welsh Treasurers.



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

HALF YEAR REVIEW OF THE ANNUAL GOVERNANCE STATEMENT

1. Purpose of report

- 1.1 The purpose of this report is to provide an update on the Action Plan that accompanied the final Annual Governance Statement (AGS) included in the Statement of Accounts 2020-21, and the significant issues arising as a result of a re-view of the AGS for 2021-22.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015**:
- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.
- 2.2 Effective governance arrangements underpin the delivery of the well-being objectives defined in the Corporate Plan.

3. Background

- 3.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report on internal control.
- 3.2 The Annual Governance Statement 2020-21 was presented to Governance and Audit Committee on 18 June 2021 and was subsequently included within the final Statement of Accounts 2020-21, which was approved by Governance and Audit Committee on 22 July 2021.

4. Current situation/proposal

- 4.1 Good corporate governance requires the active participation of Members and Officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the AGS. This helps to ensure the continuous improvement of the Council's corporate governance culture.
- 4.2 The AGS provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the controls in place to manage the Council's key

risks and identifies where improvements need to be made. The final AGS 2020-21 is attached at **Appendix A**.

4.3 Local authorities are required to monitor and evaluate the effectiveness of their governance arrangements in the year. A review of the Action Plan for the year provides a basis for reviewing progress against each significant governance issue identified. The action plan is included at **Appendix B** together with an update on progress against each significant governance issue.

5. Effect upon policy framework and procedure rules

5.1 The report does not have any impact on policy framework or procedure rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an EIA in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation(s)

9.1 It is recommended that the Committee:

- consider the Annual Governance Statement 2021-22 Action Plan and progress on the actions to 30 September 2021.

Gill Lewis CPFA
Interim Chief Officer – Finance, Performance and Change
November 2021

Contact officer: Nigel Smith
Interim Group Manager – Chief Accountant

Telephone: (01656) 643605

Email: nigel.smith@bridgend.gov.uk

Postal address: Raven's Court
Brewery Lane
Bridgend CBC
CF31 4AP

Background documents:

None

This page is intentionally left blank

Annual Governance Statement



Contents

	Page
1 Foreword	
2 Governance Framework	
3 Assessing Performance	
4 Audit Assurance	
5 Improving Governance	
6 Assurance Statement	

1 Foreword

“One Council working together to improve lives”

This is the Council’s vision as stated in the [Corporate Plan](#) for 2018-2023 reviewed for 2021-22, which also sets out what our long-term well-being objectives are so that amongst all of the complexity of increased demand and reduced resources we can keep a clear focus on what is really important for our communities.

We want to contribute to a place where people want to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, enjoy good health and a sense of well-being and independence.

It is necessary to ensure that our communities and those that use and pay for our services, those who deliver our services and our partners and suppliers have confidence in our governance arrangements. They must be assured that our services are provided effectively and efficiently and delivered on a consistent basis, that public money is safeguarded and properly accounted for; and that decisions are taken transparently and lawfully. This is especially the case given the ongoing challenges during the worldwide Coronavirus pandemic that has affected everyone and every business across the county borough since March 2020. Additional measures have been put in place to ensure the Council maintains proper governance through this unprecedented event.

The Council also has a duty to set well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and the Local Government Elections (Wales) Act 2021 to make arrangements and keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and to ensure its governance is effective for securing these performance requirements.

Our governance arrangements operate effectively in supporting the Council in meeting its challenges and responsibilities and have continued to do so in the current uncertain times. Improvements are continually being made and opportunities to do so going forward have been identified. These will be monitored during 2021-22 to ensure that the necessary improvements are made.



Cllr Huw David
Leader of the Council



Mark Shephard
Chief Executive

2 Governance Framework

What is Corporate Governance?

Corporate governance comprises the systems, processes, culture and values by which the Council is directed and controlled, led and held to account, and how it engages with stakeholders. It is also about the way that Councillors and employees think and act.

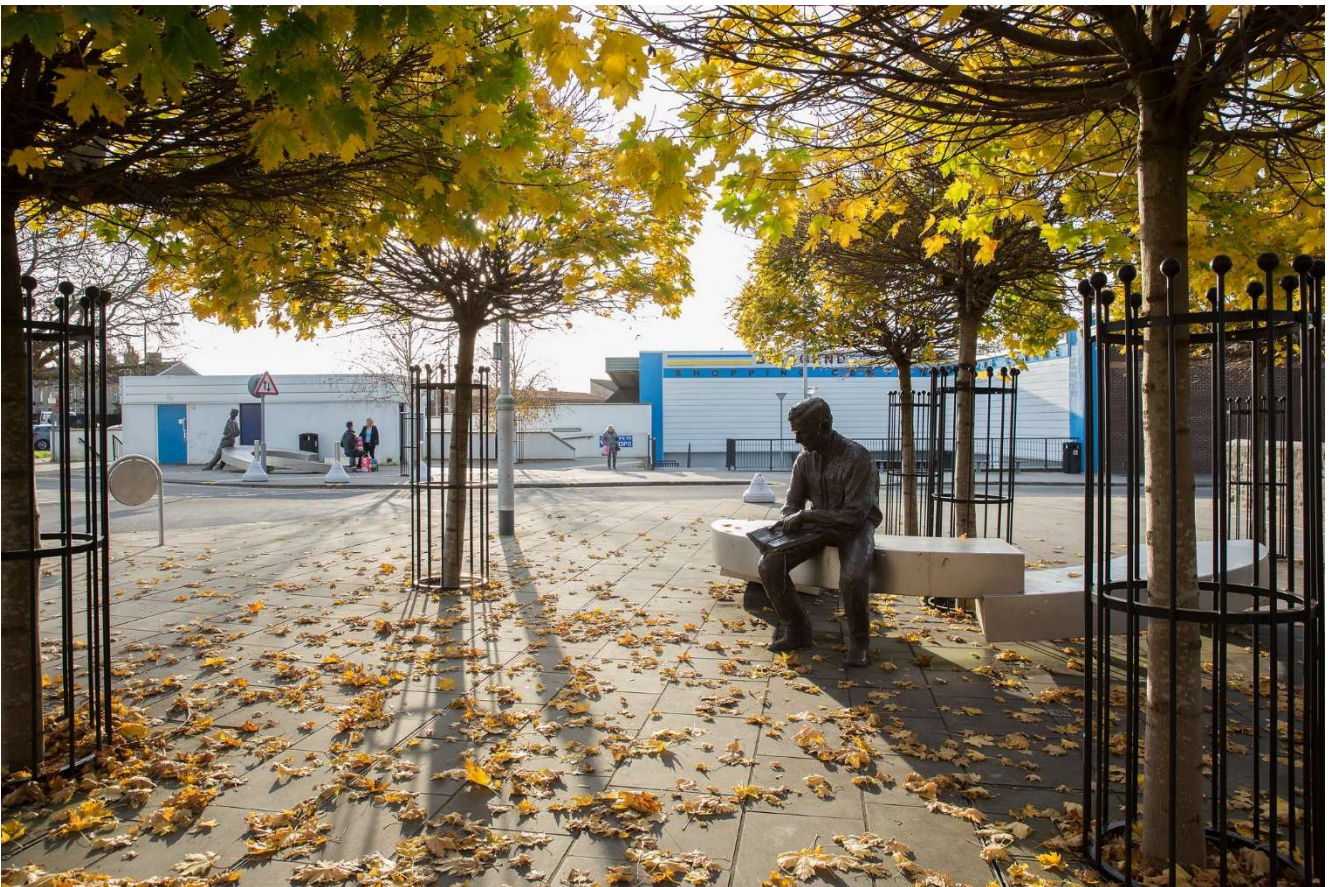
The Governance Framework enables the Council to monitor the achievement of its strategic objectives and to consider whether they have led to the delivery of appropriate, cost-effective services.

What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the year ended 31 March 2021.

It also sets out how the Council has responded to governance issues identified during 2020-21 and actions to be undertaken during 2021-22 following an annual review of the Governance Framework.

The Statement has been prepared in accordance with the 2016 guidance: [‘Delivering Good Governance in Local Government Framework’](#) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).



Bridgend Town

The Council's Governance Responsibilities

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council must consider the longer term impact of any decisions it makes, and should work collaboratively with other public bodies to improve well-being in Wales.¹

As a public body the Council has to ensure it delivers sustainable social, cultural, environmental and economic outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- ensuring openness and comprehensive stakeholder engagement

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code](#) and [Governance Framework](#) is on the Council's website or can be obtained from the Section 151 Officer.

The Council's Code of Corporate Governance sets out the seven principles of good governance in line with CIPFA's 'Delivering Good Governance in Local Government: Framework'.

Bridgend County Borough Council Code of Governance (2017)	
The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability



¹ Well-being of Future Generations (Wales) Act 2015

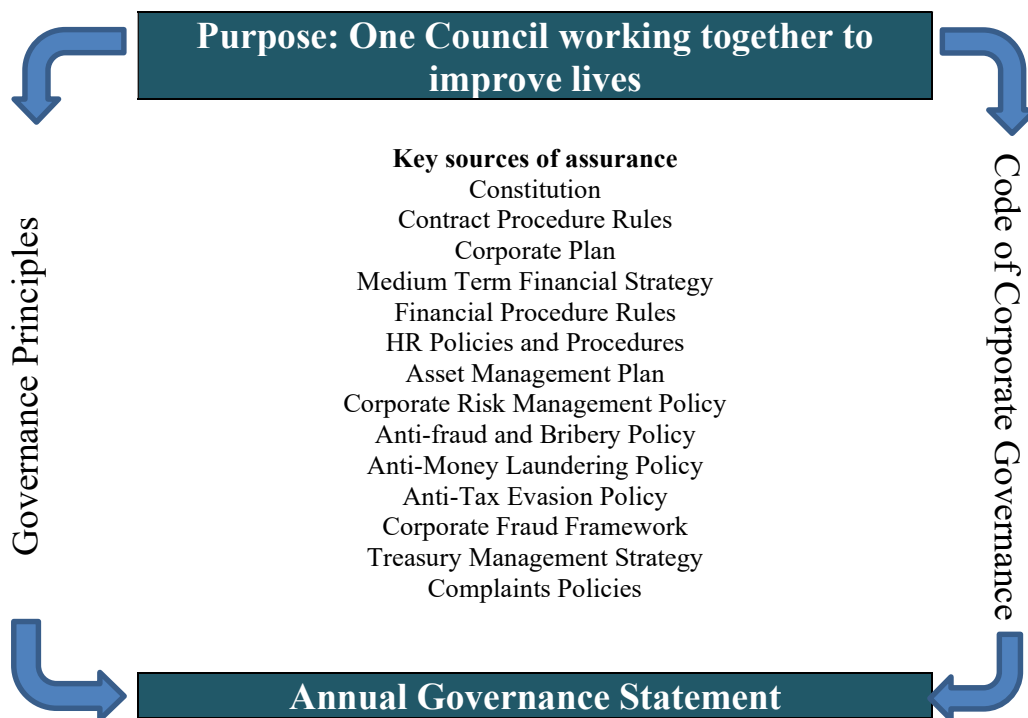
The Council's Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to make appropriate use and prevent loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Governance and Audit Committee, Scrutiny Committees, Council, Cabinet and Corporate Management Board as appropriate. In addition the Section 151 Officer promotes and delivers good financial management and the Monitoring Officer promotes and delivers legal and ethical assurance.

Some of the key elements of the governance framework are highlighted below.



More widely, as part of its partnership and joint working arrangements, the Council is involved in bespoke external governance arrangements driven by the different partnership and delivery arrangements in place. Examples of these include the following:

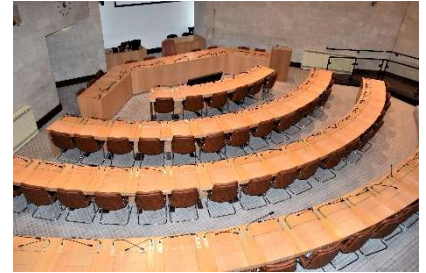
- The Council is one of ten Councils jointly delivering the Cardiff Capital Region City Deal (CCRCD), which has in place joint Scrutiny and Cabinet to ensure governance in its implementation. The CCRCD aims to raise economic prosperity, job prospects and improve digital and transport connectivity and is a significant investment into the South Wales economy.

The Council is committed to contributing to the delivery of these objectives across the region to ensure that the community and business within the Borough can benefit from this investment.

- During 2019-20 the new regional arrangements were put in place for the health and social care partnership and the Cwm Taf Regional Partnership Board established and these arrangements are successfully bedding in. The Regional Safeguarding Board and Regional Partnership Board provide leadership across the region for safeguarding an integrated planning of health and social care services. There are a small number of key services that still operate on the previous 'Western Bay' footprint.
- The Council is a participant in a number of shared services, with other local authorities, such as the Shared Regulatory Services with Cardiff and the Vale of Glamorgan Councils, and Central South Consortium, a joint education service for five local authorities. These are governed by joint committees which comprise elected members from each of the local authorities. The Council also is a partner in the Regional Internal Audit Shared Services with Vale of Glamorgan, Rhondda Cynon Taf and Merthyr Tydfil Councils.

Decision Making and Responsibilities

The Council consists of 54 elected Members, with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees. The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers. It also contains the rules and protocols by which the Council, Members and officers operate.



Through the Constitution, along with the Member's Code of Conduct, Standards Committee and role of internal audit, the Council operates with **integrity**, **ethical values** and within its **legal** powers.

All Council and Committee meetings' agendas, papers and minutes can be viewed on-line and pre-pandemic all meetings were open to the public unless exempt or confidential matters were being discussed. Since the pandemic meetings are held virtually and recorded and placed on the Council's website for the public to access. The Council's forward work programme contains information about all matters that are likely to be the subject of a decision taken by full Council or Cabinet during the forthcoming period. They also include information regarding Scrutiny Committees. To further enhance **openness** and **comprehensive stakeholder engagement** the Council has a Citizen's Panel, which takes part in surveys on a range of issues. The Council also uses social media to promote services and engage with the public and makes information available in a range of formats to maximise the opportunity for information sharing and to enable residents to communicate with the Council.

Local Government and Elections (Wales) Act 2021

The Local Government and Elections (Wales) Act received Royal Assent on 20 January 2021. The Act is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working. There are many reforms within the Act, however, in summary the Act introduces:

- Reform of electoral arrangements for local government, including extending the voting franchise to 16 and 17 year olds;
- Introduction of a general power of competence;
- Reforming public participation in local government;
- Reforms around democratic governance and leadership;
- Collaborative working;
- Reform of the performance and governance regime;
- Powers to facilitate voluntary mergers of principal councils.

In order to provide local authorities with certainty as to what legislative changes are being implemented when, and ensure the required preparations can be made, Welsh Government has made three Commencement Orders, which will be accompanied by other relevant subordinate legislation, which will bring the relevant provisions into force on a series of dates between March 2021 and 5 May 2022.

The Act will have a wide ranging impact on the organisation, powers, performance measurement and governance of the Council, including changes to the composition and terms of reference of the Audit Committee (which was re-named the Governance and Audit Committee by Council in September 2020, in anticipation of the requirements of the Act). New responsibilities include a role in reviewing the Council's self-assessment report and making any recommendations for change, consideration of the outcome and response to a panel performance assessment of the Council, and responsibility for making reports and recommendations in relation to the authority's ability to handle complaints effectively. The Council will need to address these changes and amend its governance structures and arrangements accordingly.

Role of the Governance and Audit Committee

The **Governance and Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory Committee and consists of 12 Councillors and 1 Lay Member. Its main functions are:

- Review and scrutinise reports and recommendations in relation to the Council's Financial Affairs
- Review and scrutinise reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements
- Oversee the Council's internal and external audit arrangements
- To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies
- To monitor the Council's Anti-Fraud and Bribery Strategy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy
- To review and approve the Council's Annual Governance Statement and the Annual Statement of Accounts
- To review and consider reports from the External Auditor and Inspectors

3 Assessing Performance

The Councils' performance is reported in its [Annual Report](#), its annual self-evaluation of progress against the Council's Corporate Plan. The report looks back on the progress made during the year on the steps to meet the well-being objectives. The report considers measures of success with targets set annually and used to drive improvement. During 2020-21 a key factor faced by the Council over the year was the impact of the Covid-19 pandemic and the governance arrangements and processes that the Council had to put in place to ensure it could continue to support residents and businesses during this difficult and challenging year.

The Corporate Plan

The Corporate Plan 2018-23, updated for 2021-22, agreed in February 2021 sets out the Council's vision: **'One Council working together to improve lives'**. The Plan defines the Council's three priorities well-being objectives and its organisational values and principles that underpin how it will work to deliver its priorities. The Council defines its purpose to 'contribute to a place where people love to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, and enjoy good health and a sense of well-being and independence'.



Underpinning the Council's Corporate Plan and throughout its decisions-making process, the principles of the Well-being of Future Generations (Wales) Act 2015 are applied. The table shows how the Council's well-being objectives contribute to the seven well-being goals.

Well-being Goal	Well-being Objective		
	Supporting a successful sustainable economy	Helping people and communities to be more healthy and resilient	Smarter use of resources
A prosperous Wales	✓		✓
A resilient Wales			✓
A healthier Wales	✓	✓	✓
A more equal Wales	✓	✓	✓
A Wales of cohesive communities	✓	✓	✓
A Wales of vibrant culture and thriving Welsh language	✓	✓	
A globally responsible Wales	✓		✓








In addition to the seven well-being goals, the Well-being of Future Generations (Wales) Act 2015 puts in place the sustainable development principle and defines the five ways of working that public bodies must adopt to demonstrate they have applied the sustainable development principle. The five ways of working are:


















Long-term: thinking of future generations and of our natural resources.

Prevention: this is the step before any issues arise and is aimed at making sure that solutions and interventions are targeted and available to stop statutory services being required.

Integration and Collaboration: with colleagues and partners. Ensure decisions are joined up across services and work more closely with partners in the public, private and third sectors.

Involvement: consult and involved local people in planning and delivering services.

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
Our Principles					
To support communities and people to create their own solutions and reduce dependency on the Council.					
To focus diminishing resources on communities and individuals with the greatest need.					

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
To use good information from service users and communities to inform its decisions.					
To encourage and develop capacity amongst the third sector to identify and respond to local needs.					
To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.					
To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.					
To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.					

Welsh language – Wales has two official languages, Welsh and English, and services and information should be equally available in both. The Council’s internal business language is English, but all the services and information we provide for local people will be equally available in either language.

The Corporate Plan identifies a number of key principles which underpin its Well-being objectives and has adopted a set of values that represent what the Council stands for and influences how it works. The key principles are set out below.

- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council
- The Council will focus diminishing resources on communities and individuals with the greatest need
- The Council will use good information from service users and communities to inform its decisions
- The Council will encourage and develop capacity amongst the third sector to identify and respond to local needs
- The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies
- The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches
- The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements

The Council’s values, or the **FACE** of the Council are:

- **F**air – taking into account everyone’s needs and situations
- **A**mbitious – always trying to improve what we do and aiming for excellence
- **C**itizen-focused – remembering that we are here to serve our local community
- **E**fficient – delivering services that are value for money

Covid-19

The UK was put into lockdown on 23 March 2020 in an unprecedented step to attempt to limit the spread of coronavirus. This followed similar action in other countries across the world. The UK Government put into place a limited number of reasons for people to be allowed to leave their homes. As a consequence many non-essential shops and businesses had to close, schools were closed and all workers were required to work from home where possible. Initially the lockdown was for a period of 3 weeks but this was then extended over the next couple of months with the First Minister of Wales announcing an easing of lockdown rules from 1 June into July 2020, with confirmation that swimming pools, gyms, leisure centres and indoor play areas could open from 3 August 2020. Further lockdowns followed, the first a two week “firebreak” from 23 October until 9 November, followed by a further lockdown from midnight of 19 December 2020 due to a significant surge in cases from a new strain of the virus.

Throughout this period the Council has had to adapt and implement significant changes to the day-to-day management of the Council, and the nature and delivery of its operations. In order to maintain continuity of service wherever possible, the Council moved extremely quickly to equip office-based staff with mobile technology at the end of March 2020 and into the new financial year, to enable home-working within a very short timescale. Office-based staff are now equipped to work at home either with laptops and telephone facilities installed on the laptops, or on home computers linked to the Council’s corporate network. The Council significantly increased its infrastructure ability to enable all who could work from home to do so. This included providing multiple accessibility platforms to enable access. The capacity of back end storage has been increased. Whilst the security of the network remains at a high level, to mitigate potential risks the use of Outlook Web Access was removed. In addition to this and to further strengthen network security, the Council has increased its firewall provision. Decisions were made to deploy employees to key priority areas wherever possible to ensure continuity of essential services. During the year the focus has remained on ensuring the resilience of front line services to cover absence and acute pressure points, and to supporting services that promote public health, including the Test, Trace, Protect service and, latterly, the vaccination programme and community testing.

At the start of the pandemic a number of services, including schools, were closed, although the Council continued to maintain a significant number of essential services running, particularly the provision of social care services for vulnerable adults and children and waste collection services. Services that were closed included cultural venues, leisure centres, community recycling centres and day services. During the year, as lockdown restrictions initially eased, a number of these reopened, but with social distancing measures in place, or were provided differently. Schools adapted to provide blended learning and during full lockdown, online learning, with most pupils being taught via their home computers. Those pupils eligible for free school meals have been provided with weekly food parcels, delivered to their homes, and funding was secured to enable digitally excluded pupils to continue to learn from home.

When the country moved into lockdown, all formal meetings of Council were immediately cancelled. However, under the Local Authorities (Meetings) (Wales) Regulations 2020, Local Authorities were given powers to hold meetings virtually using video conference technology from 22 April 2020. As a result the Council held its first virtual meeting of Development Control Committee on 4 June 2020, followed by a meeting of Cabinet on 30 June 2020. Other virtual committee meetings followed with the first meeting of full Council on 22 July 2020, and a full programme of meetings has been followed since this time. The meetings initially held via Skype, are now held via Microsoft Teams, are recorded and uploaded to the Council’s website following the meeting. This enables full and transparent decision making and includes procedures for enabling Members to vote on key decisions. The initial Covid-19 group, consisting of members of the Cabinet and Corporate Management Board (CMB), along with a number of key officers, was stood down as official meetings resumed, but bi-weekly meetings of Cabinet and CMB were reinstated to consider other Council business. In January 2021, as the latest lockdown

came into place, CMB introduced a specific CMB Gold meeting to discuss Covid related issues, outside of their regular CMB agenda. This was supplemented by a Covid Silver Group, consisting of Heads of Service, some group managers and other key officers, to consider more of the operational implications of the pandemic. The Covid Silver Group escalates any decisions required and any recommendations made to the Covid Gold Group. Both groups initially met weekly, but as the crises has reduced this was then reduced to fortnightly. More recently the groups have, in relation to the Covid response, been stood down in line with other regional and national 'pandemic' management groups however the benefit of having such groups has seen them refocus to consider wider strategic, operational and non-Covid cross-Council issues and have continued in this respect..

In June 2020 a report was presented to Cabinet recommending the establishment of a cross-party, elected member, Recovery Panel to help to shape, inform and advise Cabinet on the Council's recovery planning. The Panel met on six occasions during August. During its meetings the Panel considered presentations from requested invitees, including the Public Services Board (PSB), Bridgend Association of Voluntary Organisations (BAVO), the Corporate Director – Social Services and Wellbeing, the director of Bridgend County Care and Repair, and the Head of Partnership Services and Group Manager – Housing. The Panel's recommendations were presented to Cabinet on 15 September 2020 and then taken forward for consideration. It was agreed that the work of the Panel would continue with further recommendations reported to the Corporate Overview and Scrutiny Committee and Cabinet for approval. A Cabinet response to the Recovery Panel's recommendations has been provided to the Corporate Overview and Scrutiny Committee for consideration in December 2020.

Part of the national response to the impact of the pandemic has been to provide additional financial support to the economy, including the distribution of Business Grants and extended business rates relief, both of which have been administered by the Council. This has required staff to focus on administering, managing and paying a large volume of grants in short timescales. During the financial year there have been a number of different grants and schemes funded by Welsh Government, but managed and administered by the Council, providing support to businesses including:

- Business and Charity Grants Phase 1 March 2020
- NDR Lockdown / Firebreak Grant November 2020
- Business Restrictions Fund (various phases) December 2020

In total over £50 million has been paid out to a wide range of businesses and charities throughout the year. Each of these grants has had different criteria (those paying business rates only, or a wider cohort), different awards processes (automatically paid or application process) and different funding amounts. This has required a coordinated effort between the taxation section, regeneration team, and eligible businesses as quickly as possible, at the same time ensuring that public funds are used appropriately and that control mechanisms are in place to safeguard the funding.

This is in addition to a range of other individual grant payments, including:

- Social Care Workforce Payments of £500
- Self-Isolation Payments for those on low incomes
- Statutory Sick Pay top-ups for social care workers

All have required new processes to be put in place to administer them, including digital changes to enable applications to be submitted online, system changes, cash management and accounting processes to be considered. Taking into account the business grants, over £53 million additional grant income has passed through the Council's accounts for these specific grants alone.

Other services have had to think differently about how they could continue to provide services during the lockdown period. Most service areas have had to adapt and many employees have been able to work in a different and more agile way. There is a significant challenge to the organisation moving forward in ensuring that many of the new ways of working that have worked well continue to do so.

Other services have had to reconsider how they continue to deliver to the public over time. One example is the provision of free school meals, which initially was provided through a 'packed lunch' style arrangement, which pupils collected from specific locations. Over time, and to address social distancing rules, this changed to a food parcel delivery service to pupils' homes. Whilst alternative service delivery options have been considered during the year, including payment of cash or vouchers to parents, the Council still feels that at this time this service provides the best all-round option for pupils, taking into account nutritional value and supporting children whilst at home. However, this is constantly under review.

In addition to the business grants, Welsh Government has provided a number of specific grants to meet the additional costs of Local Authorities as a result of the pandemic, for costs in general and targeted at specific areas, such as adult social care, free school meals, homelessness and personal protective equipment. Costs are collated across the Council to enable these grants to be drawn down, the majority of which are claimed against the Welsh Government Hardship Fund. There is also the impact of lost income from fees and charges, which creates an additional pressure, coupled with a downturn in council tax collection due to the impact of the financial circumstances on a number of residents, and the consequential increase in those claiming council tax reduction. The Council has claimed and received the following amounts:

Welsh Government Hardship Fund	Claimed £000	Paid £000	Disallowed £000
Additional expenditure	15,791*	15,013	778
Loss of income	5,697	5,574	104
Total	£21,488	£20,587	£882

* including £271,000 relating to 2019-20.

Cost pressures and loss of income not covered by Welsh Government have created additional pressures on the Council budget, so the Council established a specific earmarked reserve at the end of 2019-20 to enable it to mitigate any non-funded Covid related costs in both 2020-21 and beyond.

The Council took on board the guidance and advice set out in Procurement Policy Notice 01/20: Responding to Covid-19, and subsequent notices, and put in place a number of measures to support suppliers, including payments in advance of supply where appropriate, maintaining management fee levels for some of our key providers during the pandemic, and increasing the number of BACS payments made per week to ensure funding reached supplier accounts more quickly. This was done mindful of the Council's Financial Procedure Rules, delegated powers process and the Covid-19 decision making process. Whilst supporting suppliers in this way, to minimise any risk of fraud, those who received funding from the Council were requested to sign up to an open book accounting process so that the Council could verify any funding the organisation received, to ensure no duplicate funding was made.

Whilst a number of Council capital schemes were delayed, the Council also experienced additional costs as a result of the need to implement social distancing on building sites, when new schemes have been tendered, so it is clear the longer term consequences of the coronavirus pandemic cannot yet be known in full or be quantified. However, it seems inevitable that a number of businesses will find themselves in financial difficulties and maybe go out of business, despite the various support schemes that have been put in place over the year. The town centres may be particularly hit as staff are directed to continue to work from home if they are able to do so and not in their usual office base, including staff in the main town centre Council offices, thus impacting on the footfall in these main retail areas. There are also likely to be potential increases in levels of deprivation with associated demands placed upon Council services as a consequence of the increased number of families applying for universal credit and council tax support. Financially we expect there to be pressures on service costs, reduced council tax and business rates income, ongoing reduced income at car parks, rental income where the Council is the landlord and playing fields and other facilities as people remain wary of going out and socialising in large groups. Whilst the vaccination programme is well underway and Welsh Government expects all nine priority groups to have received their first vaccination by mid-July 2021, the impact of the

pandemic is still expected to be felt for many years to come and potentially unequally with those living in areas of most deprivation most impacted. Short-term measures such as rental holidays for businesses and business rates relief will provide them with some support, but it will be difficult to fully offset the devastating economic impact that the pandemic has caused. In addition, consumer habits have changed, with people having been forced to shop and do business differently, and there is no guarantee that they will revert to old habits.

In March 2019 Estyn inspected Bridgend's local government education services. Following the inspection Estyn identified four recommendations to further improve Bridgend's provision of education services to children and young people. These included the need to develop literacy in primary schools, support schools, causing concern, develop post-16 education and support the work of the statutory Welsh in Education Strategic Plan. While work against the four recommendations has continued since March 2020, the pandemic has impacted on progress. Updates are provided to the Council's School Improvement Group on a bi-monthly basis and we will continue to monitor progress against these priority areas.

Care Inspectorate Wales has carried out regulatory inspections of the Council's registered care provision. One service, a children's residential care home, was a service of concern for a period in 2020 but has now satisfied all regulatory requirements. There have been positive regulatory inspections of other provision. The Council is a significant provider of adult and children's regulated care services and the Head of Adult Services and the Head of Children's Services are Responsible Individuals for the provision, with legal responsibilities in accordance with the Regulation and Inspection of Care (Wales) Act (2018). There have been regular meetings between senior officers and Care Inspectorate Wales during 2020-21 to provide assurance in respect of the safety and wellbeing of people during the Covid-19 pandemic. An assurance check was carried out by Care Inspectorate Wales in April 2021 and any areas for improvement identified will be progressed in a timely way.

The Government is likely to impose social distancing rules for some time to come, which will have consequential impacts on services such as leisure and cultural services, where mass attendances at leisure centres, swimming pools and public performance events will have to adjust to any new rules following Covid-19. Retail and leisure services independent to the Council will also be affected as it takes time for public confidence to increase. In July 2020 each Directorate was asked to complete a corporate questionnaire ("COVID-19 Service Recovery Planning Assessment") that was designed to identify lessons learnt from each of its service areas during Covid-19 Lockdown. An Improvement Plan was developed to "ensure that during the Covid-19 pandemic, the Council services are delivered safely and to a high standard." This exercise has helped ensure that the Council is able to respond more effectively to any future significant events that affect service delivery. In the coming year the Council will need to focus on restoring services, supporting communities and particularly the most vulnerable in our society, as well as doing all we can to help our local economy to recover. Implementing agile working has afforded the Council opportunities for efficiencies and benefits to both the organisation and employees. This includes less travelling reducing the impact on time of working, as well as environmental benefits. Moving forward agile working will allow the Council the opportunity to assess its needs for office space, and the benefits to staff of a longer-term agile working approach.

Annual Improvement

Audit Wales², our External Auditor, assesses the Council's arrangements for delivering continuous improvement and subsequent performance, the results of which are published in their [Annual Audit Summary 2020](#). In January 2020 they reported that the 'Auditor General certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure (2009) during 2020-21'.

² Since 1 April 2020 the Wales Audit Office and Auditor General are branded as Audit Wales. The statutory names remain Wales Audit Office and Auditor General for Wales.

Audit Wales have undertaken and reported on a number of reviews during the year, the key outcomes of which are set out below.

Report	Key outcomes
<p>Financial Sustainability Assessment, February 2020</p>	<p>The purpose of the review was to assess the sustainability of council's short to medium term financial position. This included a focus on the financial strategy of each council as well as reviewing some key financial indicators of each council's financial position in relation to:</p> <ul style="list-style-type: none"> • performance against budget; • delivery of savings plans; • use of reserves; • council tax; and • borrowing. <p>Overall the review found that the Council has a strong financial position, but aspects of financial planning and its Medium Term Financial Strategy would benefit from strengthening. This was because:</p> <ul style="list-style-type: none"> • The Council's Medium Term Financial Strategy would benefit from strengthening in some important areas. The review found that cost pressures were only included for one year; it does not provide detailed activity and expenditure projections for the four years of the Strategy, and does not evaluate past financial performance, such as budget underspends and the lower-than-forecast use of reserves. • In recent years the Council has underspent all its annual budgets • The Council has a good track record of achieving most of its planned savings • The Council has a high level of useable reserves, which are ring-fenced for specific purposes and potential risks to the Council. Approximately a third of the total reserves are earmarked to fund specific schemes within the Council's capital programme and 5% relate to equalisation and grant reserves. • The Council has a good track record of collecting its council tax • The Council has a relatively low level of borrowing and interest costs and has not sought any new long-term loans since 2012.
<p>'Raising our Game' Tackling Fraud in Wales, July 2020</p>	<p>The report was to examine seven 'key themes' to ensure that the arrangements for preventing and detecting fraud in the Welsh public sector are effective. The seven 'key themes' examined were:</p> <ul style="list-style-type: none"> • Leadership and culture • Risk management and control frameworks • Policies and training • Capacity and expertise • Tools and data • Collaboration • Reporting and scrutiny <p>For each theme the report examines:</p> <ul style="list-style-type: none"> • Why it is important • What the audit fieldwork identified in terms of current working practices and their effectiveness across the 40 Welsh public sector bodies that were examined • What needs to happen to generative improvement <p>A mapping exercise by the Council identified that there are many positive aspects identified across each of the themes. High standards for both Members and Officers are set and the Council has always dealt with any</p>

	allegations or suspicions of fraud, bribery and corruption promptly. Fraud training has recently been improved and an e-learning module is now in place. The next stage will be to develop an action plan to strengthen the measures already in place to establish best practice in respect of fraud prevention, investigation and detection in line with the themes and recommendations within the Audit Wales report.
--	---

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its well-being objectives
- provide services as planned
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the [Corporate Risk Assessment](#). The Risk Assessment sets out how the Council is addressing these risks and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Governance and Audit Committee. It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of reasonable assurance.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules, Contract Procedure Rules, a specific Financial Scheme for Schools, and the scheme of delegation also provides the framework for financial control. The Section 151 Officer is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of further Government plans to cut public spending, particularly as it is assumed that at some point the substantial additional Government expenditure on the pandemic will need to be recovered. There also remains significant uncertainty as a result of Brexit and the impact this might have on Council services including the receipt of European grants. The Council estimates that it will need to generate approximately £22 million of savings over the period 2021-22 to 2024-25. The Medium-Term Financial Strategy has taken account of cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy an eight week consultation 'Fit for the Future' was undertaken between 19 October and 13 December 2020, the emphasis of which was on the Council's

recovery plans, following the pandemic, including what the public felt were important services during the lockdown and what services they actually accessed. Due to social distancing requirements, the budget consultation was pre-launched on social media prior to the live survey date and the consultation itself focused more on online, social media and interactive engagement methods. Communication took place through a wide variety of methods, including surveys, social media, online engagement sessions, online Frequently Asked Questions as well as videos, radio adverts and media releases. To gather the views of young people the consultation team attended a Bridgend Youth Council meeting and promoted the consultation amongst learners, staff and parents at Bridgend secondary schools and Bridgend College. The Medium Term Financial Strategy can be found on the Council's website [here](#). Given the single-year funding provided by the Welsh Government, the Council has developed detailed budgets for year one of the Strategy with indicative budgets thereafter based on a range of funding scenarios.

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. This includes established budget planning procedures and regular budget monitoring reports to Cabinet and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Council follows the CIPFA Code on Treasury Management and Welsh Government's Guidance on Local Authority Investments to ensure that funds invested are secure, accessible when necessary and attract an appropriate return and any borrowings needed are in line with the Council's Treasury Management Strategy, as approved by Council. During the Coronavirus pandemic reliance on Treasury Management advice has been crucial, and significant levels of cash movements meant an increased focus was needed on managing cash flows in as secure a manner as possible. Significant use was made of the Treasury's Debt Management Office to deposit funds during the initial stages of the crisis to maintain security and liquidity, but as the crisis begins to ease monies will be invested in wider instruments in line with the Council's Treasury Management Advisor's advice.

The Prudential Code and Treasury Management Code of Practice, issued in December 2017, set out new requirements in relation to the production of a Capital Strategy. CIPFA are currently consulting on both these Codes of Practice. The proposed changes to the Prudential Code include: commercial investment should be 'proportionate' to service and revenue expenditure; capital expenditure should be "sustainable in accordance with the corporate objectives of the authority"; capital strategies should provide more commentary on the affordability of commercial activities; 'Liability Benchmark' to replace prudential indicator on gross debt and the capital financing requirement; and two new prudential indicators on affordability. The proposed changes to the Treasury Management Code include: new knowledge and skills schedules for treasury management roles to assess and track competencies; new council committees to focus solely on scrutinising treasury management decisions; and new Treasury Management guidance on assessing the environmental, social and governance risks of future investments. The outcome of these consultations will need to be considered when revising both the Treasury Management and Capital Strategies. The Capital Strategy currently requires the Council to consider the longer term as well as the short term. It requires that capital expenditure plans are affordable, prudent and sustainable and outlines the future commitments so that affordability of both the long-term plan and any new proposals can be properly understood. Furthermore it enables the ongoing capital and revenue implications of capital expenditure to be better understood. The Capital Strategy is evolving to provide a robust, medium to long term capital plan for the Council.

Compliance with the CIPFA Financial Management Code of Practice

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. It clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. Full compliance is expected for the 2021-22 financial year (i.e. from April 2021) with the 2020-21 financial year acting as a shadow year. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA has stated that the Annual Governance Statement for 2020-21 should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan.

The Council has made an assessment of its current compliance with the 19 Standards outlined in the FM Code. The assessment has identified that the Council can demonstrate compliance with all of the Standards, but that further actions can be taken to enhance compliance during 2021-22. These actions are included in the Action Plan in Section 5.

4 Audit Assurance

Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by Audit Wales. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2020 the External Auditor gave an unqualified audit opinion on the financial statements 2019-20.

Audit Wales also audit a number of grant claims and in the year completed 5 audits of grants and returns. The audit confirmed that there were generally sound working papers and all claims were certified ahead of the audit deadlines in place. One claim for Housing Benefit was qualified due to a few errors however this did not affect the reimbursement of the claim.

In addition Audit Wales undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to the Governance and Audit Committee.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2020-21 is:

“Reasonable Assurance”

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

As described earlier in the Annual Governance Statement the way the Council has had to operate during 2020-21 has been severely affected by the COVID 19 pandemic. Many staff have worked remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of COVID 19 and remote working to ensure adequate controls and governance arrangements remained in place.

The pandemic did have some impact on the delivery of the internal audit plan for 2020-21 and a limited number of audits were deferred due to the pressures on some service areas. These audits will be carried out in 2021-22. The Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

During the year there continued to be interim arrangements in place to cover the statutory position of the Council's Section 151 Officer/Head of Finance, which does cause some concern from a continuity and capacity perspective. Whilst there is little or no risk in the short term as the current Statutory Officer is extremely experienced and more than capable to fulfil the role, it is important that the vacancy is filled

on a permanent as soon as possible. To help strengthen the resilience of the Finance function, a temporary Deputy Head of Finance and Section 151 Officer post was appointed in May 2019. Following a review of the Head of Finance role, Council agreed the post should be re-designated as Chief Officer, Finance, Performance and Change. The post was subsequently advertised at the start of 2020 and further in June 2020, but there were not sufficiently qualified applicants with the required skills and experience to be able to progress through all stages of the appointments process.



The Pavilion, Porthcawl

5 Improving Governance

A number of significant issues were identified in the Council's 2019-20 Annual Governance Statement. The progress made on the significant issues is shown below:

<p>Covid-19 will have significant impacts as the infection rate increases. This will impact on workforce, delivery of services, economic and social pressures and disruption for months and possibly years to come.</p>	<p>After over a year from the original Covid-19 outbreak in the UK and the national lockdown, the Council continues to learn to live with the consequences of delivering effective public services amidst an ongoing global pandemic. The majority of the Council's staff continue to work from home and significant investment has been made in ensuring that this can be done as effectively as possible. While there continues to be a great deal of focus on delivering services directly related to the pandemic, including ensuring adequate PPE, contributing to the test, trace and protect, and supporting the mass vaccination programmes, priority is also being given to 'recover'. The Council has set an approved recovery plan based on four themes of financial stability for the organisation, economic recovery, service restoration (adapting services to ensure they are Covid safe) and public health. The cross-party recovery panel established, made sixteen initial recommendations to Cabinet to inform the Council's detailed recovery planning. In addition, a lessons learnt exercise was undertaken and a document produced to ensure the Council is best placed to respond even more effectively to any future lockdowns or crises.</p>
<p>The uncertainty regarding the impact of and exit from the European Union may well place continued increasing expectations and demands on public sector organisations and the Council which will need to be factored into the Medium Term Financial Strategy</p>	<p>As the UK exited the European Union, with a last-minute deal, a new Treaty came into force from 1 January 2021, taking over from the previous transition period arrangement. The consequences of having a trade agreement in place are inevitably likely to be more positive than a no-deal situation. However, it is unlikely that there will be no impact, but it is too early to ascertain what this will be. The Covid-19 pandemic has overtaken the impact of the exit from the EU and will place continuing pressures on Council resources and budgets, at least in the short to medium term. The two events will continue to have an impact in the future, and the Council will need to closely monitor costs and lost income as a result of both significant events on its budget and cash-flow requirements.</p>
<p>Changes in Senior Management at Corporate Management Board level</p>	<p>A new Corporate Director Communities took up position in March 2020. The Corporate Director Social Services and Wellbeing was due to retire at the end of April 2020 but agreed to continue to provide leadership for the service in the role for a 6-month period during the pandemic. The virtual recruitment exercise for this vacancy was shown to work well, with strong interest for the post and an effective recruitment process, with the successful candidate taking up post in October 2020. There is now greater resilience across the Council's senior management team.</p> <p>The Council was unable to recruit to the Chief Officer, Finance, Performance and Change and the interim arrangements have continued.</p>
<p>Outcome of the Audit Wales report into Safeguarding and implementing the recommendations made therein</p>	<p>The Audit Committee held on the 16th July 2020, received the October 2019 WAO report: 'follow up review of corporate arrangements for the safeguarding of children'. The actions and progress made against the proposals for improvement were noted and the item recorded as resolved.</p>
<p>Outcome of the Care Inspectorate Wales – Inspection of Older Adults Services Bridgend County</p>	<p>The service continues to progress the recommendations from the Care Inspectorate Wales inspection of older people. The impact of Covid-19 means some timescales in actions plans have been delayed as adult services has focussed on the considerable impact of the pandemic on social care services.</p>

Borough Council (January 2020)	
Strengthen the scrutiny and oversight arrangements of environmental health services and work with the Shared Regulatory Services and other providers to explore the opportunities for future improvements	<p>A report on SRS was scheduled to go to the Corporate Overview and Scrutiny Committee (COSC) in March 2020 but the meeting was unfortunately cancelled due to the covid-19 pandemic and only essential meetings of COSC were held until after the Annual Meeting of Council when Scrutiny resumed with reduced reports. A draft Forward Working Programme for the coming year will be prepared shortly and SRS will be on the draft FWP.</p> <p>SRS are at the forefront of the Covid response which has given increased visibility of their role. There continues to be meetings of the SRS Joint Committee and regular meetings with the Head of Service and relevant Cabinet Member.</p>
The risk of fraud especially in the current Covid-19 pandemic with significant funding moving around and increased digitalisation of transacting with the Council	<p>The Council has placed a strong emphasis on the prevention of fraud during the Covid-19 pandemic, especially with the large volume and value of grants being paid out to individuals and organisations through various WG support schemes.</p> <p>The Council appointed a Senior Fraud Investigator in August 2020, who is playing a lead role in the detection and investigation of suspected fraudulent activity within the Council, and actively promoting fraud awareness across the Council.</p> <p>The Fraud Prevention e-learning module has been developed and rolled out to staff, fraud information is being updated and being made available to staff on the intranet and a more detailed fraud risk assessment process is being developed that will link to the corporate risk management process. A Corporate Anti-Tax Evasion policy has also been developed and approved by Cabinet in February 2021.</p> <p>The Council has submitted National Fraud Information (NFI) in two parts. The first non-Covid-19 grant data was submitted to NFI by 9th October 2020, the Covid-19 grant data was submitted on 7th January 2021.</p>
The increasingly challenging budgets for Schools, with potential for greater deficit school budgets	<p>The impact of Covid-19 on schools has been significant, with schools closed from 20th March 2020 and did not reopen until September 2020, although some were used as childcare hubs during the summer months. School budgets were still required to be set for the financial year with deficit recovery plans in place as per the Financial Scheme for Schools. Due to the pandemic and school closures this had been a slower process than usual, but work continued on supporting those in deficit, agreeing deficit recovery plans and monitoring balances overall.</p> <p>Whilst schools were anticipated to stay open until 18 December 2020, many once again closed early due to the pandemic and increasing numbers of infections. Limited reopening of schools for children up to the age of 7 commenced from 22 February 2021, with the majority of other children not due to return to full time education until after the Easter break.</p> <p>There have been some savings arising in school budgets as a consequence of the closures, including savings on energy, cleaning, supply cover and some resources. However, when schools have reopened there have been additional cost pressures to put systems in place to maintain social distancing, for more regular cleaning, and purchase of ICT equipment to enable continued education for those children that are self- isolating. Some of the funding has been met from one-off grants from Welsh Government (e.g. cleaning</p>

resources) and others are being claimed from the Welsh Government Hardship Fund, but not all are eligible. Any claims for additional costs had to be net of any savings made, so significant work was necessary to identify these.

The net overall school balances as at 31 March 2021 was £8.491 million. There has been a significant improvement from the projected deficit position for schools reported during the year, primarily due to additional grant funding received late in 2020-21 committed to be used by schools in 2021-22.

Based on a review of the governance framework, and an assessment of compliance with the CIPFA Financial Management Code, the following significant issues identified in 2020-21 will be addressed in 2021-22 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue is	Proposed Actions to address issue
Implementing the Local Government and Elections (Wales) Act 2021	A	The Act will introduce changes covering electoral reform, public participation, governance and performance and regional working. This will have an impact on the way the Council operates.	The Council will need to implement measures to comply with the Act. This will include for example changes to the composition and terms of reference of the Governance and Audit Committee title from May 2021, the establishment of Corporate Joint Committees, wider performance review and self-assessment, and the introduction of measures to establish public participation. The Council will consider the Welsh Government Commencement Orders and subordinate legislation and will put in place processes for implementing the required changes.
Financial Sustainability	F	The ongoing financial pressure from the pandemic with increased pressure on expenditure and reduced income will impact on the 2021-22 financial year.	External funding to support additional pressures will be sought where possible from Welsh Government via the Hardship Fund. Earmarked reserves will be reviewed and maintained to support specific Covid-19 costs arising as a result of local decisions, in addition to provision to meet other unfunded pressures such as reductions in council tax income and additional costs of council tax support. Assumptions for future years' budgets will continue to be reviewed and amended to

			reflect the changing circumstances.
Review of Financial Procedure Rules	F	It is key that the Financial Procedure Rules are kept up to date to ensure they are fit for purpose.	Last updated in 2017, needs review and update to reflect current practices, especially with agile and home working arrangements.
Review of Code of Corporate Governance and associated schedule	A	Ensuring that the Code of Corporate Governance is kept up to date is crucial to ensure it is fit for purpose.	Last updated in 2017, needs review to ensure it reflects current governance framework.
To continue to support professional development	E	In order to deliver the best services and meet statutory requirements staff must be sufficiently skilled to deliver their responsibilities.	To assess skills needs as part of the finance restructure and support continuing professional development at all levels where considered necessary. Also to consider other training to both finance and non-finance staff, as well as Elected Members.
Digital / management and control of ICT assets with new ways of working	A	The ICT estate due to Covid-19 has become decentralised with officers working from home, which poses challenges with regard to the recording and management of the devices.	Change control processes – including patch management for all devices and applications across the ICT landscape. Use of Configuration Management Database (CMDB) to store information about hardware and software assets. Independent Audit assessments reviewing the management of the ICT infrastructure inclusive of devices and software.
Cyber Fraud	F	Cyber Security Risks refers to any risk of financial loss, disruption or damage to the reputation of an organisation resulting from the failure of its information technology systems.	Staff procedures and guidance through IT security policies, e.g. Six Simple Rules, Data Protection training. Corporate blocks on online file storage. Port control and encryption of USB devices. Public Services Network / Certification accreditation.
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	The Covid-19 pandemic has had a significant impact on the Social Care sector. Short term hardship funding has helped to support the sector, but the ending of this funding will have an impact moving forward.	A market stability plan is in development to mitigate the impact on older people's care homes of the pandemic and ensure that there continues to be sufficiency of quantity and quality of provision in Bridgend.

GDPR issues with new ways of working	A	Remote working demands a different security stance than working in centralised offices and the Council must ensure that it remains compliant with data protection laws.	<p>A Bridgend message was circulated in September 2020 on data protection and working from home. It provided guidance on issues such as communicating securely, keeping software up to date, ensuring no personal data is compromised, only using the Council's approved technology.</p> <p>The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information security remains a top priority during this time.</p> <p>All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>
Workforce issues / wellbeing	E	To identify future working models for staff, following the easing of Covid-19 restrictions and ensure that wellbeing considerations are given priority.	Develop HR policies to support future working arrangements. Develop and implement additional actions to support a wellbeing culture across the organisation. Improve communications to help staff access information relating to Covid-19 and recovery.

These issues will be monitored via a detailed action plan during 2021-22, with the responsible officer and deadline for implementation identified for each action and reported to Cabinet/Corporate Management Board and to the Governance and Audit Committee.

6 Assurance Statement

The Council reacted quickly to the Covid-19 pandemic to put in place controls to ensure that a record was maintained of decisions made to ensure that appropriate governance arrangements were in place. Given these arrangements no significant internal control or governance issues have arisen, and the Council continues to have in place appropriate internal control and governance arrangements.

Subject to the above issues being resolved, we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

Steps to address the matters referred to above will be taken to further enhance our governance arrangements.

Signed: _____ Date: _____
(Leader)

Signed: _____ Date: _____
(Chief Executive)



Annual Governance Statement – half-year review of progress against significant issues identified during 2020-21, to be addressed in 2021-22

Issue	Action	Update 30 September 2021
<p>Implementing the Local Government and Elections (Wales) Act 2021</p>	<p>The Council will need to implement measures to comply with the Act. This will include for example changes to the composition and terms of reference of the Governance and Audit Committee from May 2021, the establishment of Corporate Joint Committees, wider performance review and self-assessment, and the introduction of measures to establish public participation. The Council will consider the Welsh Government Commencement Orders and subordinate legislation and will put in place processes for implementing the required changes.</p>	<p>Council received a report on 20 January 2021 outlining the main provisions of the Act together with an Action Plan to ensure that the Council is prepared for the various elements of the Act as they come into force.</p> <p>A report will be presented to Council on 20 October 2021 seeking approval for changes to the membership of the Governance and Audit Committee (GAC) to take effect following the Annual Meeting of Council on 18 May 2022. The GAC will receive an information report outlining those changes on 11 November 2021. The GAC has also assumed some of its new responsibilities under the Act, including review of the Complaints process.</p> <p>Discussions are taking place with the Cardiff Capital Region City Deal (CCRD) Regional Cabinet on the preferred delivery model and governance arrangements for the statutory Corporate Joint Committee (CJC) and this will be taken forward over the coming months.</p> <p>A task and finish group has been established to establish systems to enable the Council to embed and report on a culture of self-assessment, as required under the Act, and work is underway with directorates to ensure a consistent and thorough approach is in place. CMB have received a number of reports and have agreed a consistent approach to scoring and making judgements.</p>
<p>Financial Sustainability</p>	<p>External funding to support additional pressures will be sought where possible from Welsh Government via the Hardship Fund. Earmarked reserves will be reviewed and maintained to support specific Covid-19 costs arising as a result of local decisions, in addition to provision to meet other unfunded pressures such as reductions in council tax income and additional costs of council</p>	<p>Monthly claims have been made to the WG Hardship fund for additional Covid related expenditure since the start of the financial year, along with quarterly claims for loss of income. WG has announced that the Hardship Fund will continue until the end of the financial year. Most claims to date have been paid in full, with only minor amounts disallowed.</p> <p>The Council's Covid Recovery Fund continues to meet the costs of local decisions, such as free car parking, which are approved by Cabinet. This</p>

	tax support. Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances.	<p>reserve, along with all other earmarked reserves are reviewed on a quarterly basis.</p> <p>Work is progressing on the Medium Term Financial Strategy and the ongoing pressures arising from Covid-19 will be taken forward as part of this work. The Local Government Settlement will not be announced until December so there remains a great deal of uncertainty around future budgets.</p>
Review of Financial Procedure Rules	Last updated in 2017, needs review and update to reflect current practices, especially with agile and home working arrangements.	The review of the Financial Procedure Rules is complete, following a thorough review by officers across the Council, and a report will be taken to Council in November to approve the revised version and include them in the Council's Constitution.
Review of Code of Corporate Governance and associated schedule	Last updated in 2017, needs review to ensure it reflects current governance framework.	A review of the Code of Corporate Governance will be undertaken in the second half of the financial year to ensure it is updated in readiness for the new financial year.
To continue to support professional development	To assess skills needs as part of the finance restructure and support continuing professional development at all levels where considered necessary. Also to consider other training to both finance and non-finance staff, as well as Elected Members.	<p>The finance restructure is underway with a focus on moving from temporary arrangements to permanent appointments. This recognises the skills of staff though further opportunities will be considered for additional professional training.</p> <p>A plan for Members' training is in place for the 2022-23 financial year, which is to follow the Local Government Elections in May 2022. This includes Financial Awareness training and Treasury Management specific training, which will be supported by our Treasury Management Advisors.</p>

Digital / management and control of ICT assets with new ways of working	Change control processes – including patch management for all devices and applications across the ICT landscape. Use of Configuration Management Database (CMDB) to store information about hardware and software assets. Independent Audit assessments reviewing the management of the ICT infrastructure inclusive of devices and software.	<p>Reviewed the processes to ensure that any changes are dealt with in a systematic approach for the management of all changes. Ensuring that no unnecessary changes are made, all changes are documented, with an aim that services are not unnecessarily disrupted and resources are used efficiently, providing the relevant levels of protection for the ICT infrastructure inclusive of devices and software.</p> <p>The Digital transformation Board meets monthly and has developed a full programme of projects to improve the way we deliver services to citizens and drive efficiencies and enhance people’s jobs to remove repetitive processes and make them automatic. We have just formed a Digital Champions network which will help to improve visibility, understanding and cultural issues.</p>
Cyber Fraud	Staff procedures and guidance through IT security policies, e.g. Six Simple Rules, Data Protection training. Corporate blocks on online file storage. Port control and encryption of USB devices. Public Services Network / Certification accreditation.	Training in place alongside physical controls across the IT infrastructure with regards file storage and external USB devices. Currently working with a provider for BCBC’s annual PSN accreditation for the network. Approval due February 2022.
Impact on the Social Care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	A market stability plan is in development to mitigate the impact on older people’s care homes of the pandemic and ensure that there continues to be sufficiency of quantity and quality of provision in Bridgend.	Market Stability reporting is a specific regulatory requirement, which is being undertaken across the Cwm Taf Morgannwg region and coordinated by the regional commissioning unit. Scoping and analysis to inform this exercise is currently underway, and reporting deadlines are for final and approved reports to be published in June 2022
GDPR issues with new ways of working	A Bridgend’s message was circulated in September 2020 on data protection and working from home. It provided guidance on issues such as communicating securely, keeping software up to date, ensuring no personal data is compromised, only using the Council’s approved technology. The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information	The Information Governance Board continues to meet quarterly and all staff and Members are required to undertake the mandatory DPA / UKGDPR e-learning module

	<p>security remains a top priority during this time. All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>	
<p>Workforce issues / wellbeing</p>	<p>Develop HR policies to support future working arrangements. Develop and implement additional actions to support a wellbeing culture across the organisation. Improve communications to help staff access information relating to Covid-19 and recovery.</p>	<p>HR policies, protocols and guidance have been refreshed to reflect the current working practices, these have been promoted to employees via a new Portal for Covid-19 and Recovery webpage. This incorporates updates on HR matters, practical homeworking advice, resources to support employee wellbeing, information regarding returning to the office and a dedicated Covid-19 guidance section.</p> <p>Meanwhile a project board has been established, chaired by the Chief Executive, with a view to creating a new agile blended model of working. A corporate set of strategic principles has been established which will help guide the effective development and implementation of the future service delivery work programme. These have been shared with staff groups and the trade unions, with a view to setting the parameters and managing expectations for work moving forward.</p>

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

DISABLED FACILITIES GRANTS – PROGRESS REPORT AND POSITION STATEMENT

1. Purpose of report

- 1.1 The purpose of this report is to update the Governance and Audit Committee on actions taken to progress improvements to the Disabled Facilities Grant (DFG) service and provide information on the position to date.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 There have been a number of external and internal reports relating to DFGs, the Appendices outline the progress to date:

3.1.1 The first report was received in February 2018 which was a report by the Auditor General Wales: Adaptations 2018. This highlighted the many challenges and shortfalls in delivering such a complex service and made a number of recommendations.

3.1.2 The next report was received in October 2018 by the Wales Audit Office and provided a commentary on Service Users Perspective of DFGs Audit Year 2017/18. This report was provided to the Governance and Audit Committee (GAC) on 22nd April 2021.

3.1.3 The Regional Internal Audit Shared Service undertook an audit and their report was received in July 2020 with recommendations..

- 3.2 As a result of the findings of these reports a number of internal reports have also been made to this Committee previously and to Cabinet and Cabinet and Corporate Management Board (CCMB) which have outlined the critical need to re-shape and improve the delivery of the DFG service within Bridgend.
- 3.3 A report to Cabinet on 19th January 2021 outlined the next steps in achieving change. The impetus was to ensure that the Council met its governance responsibilities, removed outdated processes and provided a citizen centered approach to applicants based on the learning from the aforementioned reports which have shaped the decisions taken by Cabinet and formed the basis of the actions identified in this report. Increasing the Council's control on the process and ensuring safeguarding issues are addressed has been the cornerstone of the transition to a new service model.
- 3.4 It is acknowledged that further actions will be required to address all recommendations in the various reports, however the starting point to improving the service to applicants within Bridgend has been to address the fundamental issue of ownership and responsibility for delivery and the removal of outdated bureaucracy which saw much of the responsibility handed over to external agencies over which the Council had little control.
- 3.5 Cabinet therefore agreed to adopt a new model of in-house service delivery and to establish a project that will internalise the DFG service to include the functions which had previously been undertaken by an 'Agent'. A Collaboration Agreement is being negotiated with Neath Port Talbot County Borough Council (NPT) to provide support while the new model, policies and processes are established with the intention of final completion shortly.

4. Current situation/proposal

- 4.1 On 1st April 2021, the Council ceased the provision of the agent delivery model and the Council has taken full control end to end for delivery of DFGs. However, the citizen still has the choice to go externally for DFG works to be delivered.
- 4.2 The Auditor General Wales Report: Housing Adaptations 2018 made 9 recommendations (R1 – R9). The Wales Audit Office (WAO): Service Users Perspective of DFGs 2018 made 10 recommendations (P1 – P10) and the Regional Internal Audit Shared Service 2019/20 made 7 recommendations (SS1 – SS7). As many of the recommendations are similar, or deal with the same core issues the responses have been grouped together below. Appendices 1 to 3 of this report provide more specific details.
- 4.3 R1: Welsh Government set standards for adaptations
- 4.3.1 Recent guidance from Welsh Government has outlined proposals for a new planning structure which will have a regional and health focus and consideration of the outcomes and any impact on delivery and planning processes locally is required. There is also a need to review the means test requirements for applicants for small and medium works. These matters will be the subject of a report to Cabinet in the future for decision making purposes.

4.4 R2, PI: Local authorities work with partner agencies to strengthen strategic focus

4.4.1 Consideration of the need to strengthen strategic focus has led to the action to re-model the service to ensure a more effective and customer centred approach. Discussions on strategic focus will be further developed as the new model is implemented.

4.5 R3, P3, SS1, SS3: Provide information in accessible formats

4.5.1 Steps are being taken to develop suitable material to support the new model. In the meantime, steps are being taken to have more joined up meetings between council surveyors, contractors and applicants to ensure that communication takes place directly with applicants before the start of works to ensure that there is a common understanding between all parties.

4.6 R4, SS2: Delivery organisations streamline application process

4.6.1 The complexity and bureaucracy of the old process has been recognised and steps have been taken to change processes. Application forms, supplementary forms and Occupational Therapist (OT) referral forms have been reviewed. Interim processes are being implemented until they can be finalised under the new model. This includes –

- reviewing the questions on the application form to reduce duplication;
- amending the OT referral form to provide more specific information in relation to the physical works needed for each client;
- expanding the customer satisfaction survey to ensure they are able to provide feedback on the standard of works and the conduct and activities of the contractors undertaking the work. This will support the contract monitoring and quality control for the Council;
- reducing the number of visits to applicants by introducing a joint visit at the beginning and end of the works. This brings the applicant, DFG team member and contractor together to explain the process and agree actions and timescales.

4.7 R5, P3, SS5: Improve timeliness in delivery

4.7.1 New processes are being adopted for the delivery of the in-house service. This new way of working requires the expansion of the current team through a recruitment process to ensure the correct skills such as surveying, technical knowledge etc. are in place to take on the additional functionality and responsibility. The in-house provision is vital in providing the end-to-end management of the DFG process and the DFG surveyors will represent that single point of contact that will guide and simplify the citizen through the process. Housing has been successful in the appointment of 2 Assistant Surveyor Posts and an interim Principal Grants Officer, however the recruitment process is still on-going. In the interim, the Council is working with Neath Port Talbot Borough Council to provide the necessary capacity.

4.8 R6, P4, P5, SS6, SS7: Delivery organisations introduce formal systems for accrediting contractors

4.8.1 The implementation of procuring via E-Tender Wales has provided a short-term solution and enabled Bridgend to procure compliant contractors in line with the Council's Contract Procedure Rules (CPRs) and support the recommendations outlined above. Housing are working with procurement and legal to establish a longer-term Framework of Contractors for the delivery of the works under Disabled Facilities Grants. This framework will be for the duration of four years. Individual grants will be up to the grant level of £36,000 per job however the Framework will have an aggregate value up to £10 million. The framework will have a focus on ensuring all successful contractors are compliant with CPR processes and have adequate safeguards in place to protect vulnerable service users. The Framework will consist of 2 separate Lots namely:

- Lot 1, General building work
- Lot 2, Stair lifts

Each Lot will provide a list of contractors that can be selected on a rotational basis to provide the works required under a DFG. The work which will be procured under the Framework will range from provision of stair lifts, ramps, replacement showers, to full scale bathroom/bedroom extensions. It is anticipated this Framework will be live in the new financial year.

4.8.2 Housing has carried out engagement with contractors to outline the change in the process with regards the cessation of the agent delivery model. The CPRs specify that for works Contracts all Contractors must be registered and verified on Constructionline Contractors who had previously worked under the agent model of service delivery have been engaged with and as a result many have either joined from new, or upgraded their status on Construction Line. It is, and has been vital that the housing team develop the relationships with the contractors as the oversight and performance management of the contractors will be managed by the Council. It is intended to undertake further market engagement with regards to the procurement of the Framework in conjunction with the procurement team.

4.9 R7 Local authorities work with partner agencies to develop and improve joint working

4.9.1. An internal quantity surveyor is working with the DFG team to standardise the schedule of rates and communication is taking place with Swansea and Neath Port Talbot Borough Council (NPT) to understand any disparity across the geographical area which could lead to a detriment for Bridgend. The key aim is to establish consistency in terms of the schedule of rates across each local authority.

4.9.2 Discussions have also taken place with Valleys to Coast (V2C) to agree a new process of approval for DFGs within their properties and the possibility of support through top up funding for complex and difficult cases.

4.10 R8 To enhance take-up delivery organisations jointly agree and publish joint service standards

4.10.1 To be developed as part of the strategic discussions with partner agencies and internal colleagues.

4.11 R9, P4, P5, SS2, SS7: Effectively manage performance and set appropriate measures to judge both the effectiveness and efficiency

4.11.1 In addition to the Key Performance Indicator (KPI) that measures the average days taken to deliver a DFG for adults and children, housing intend to provide operational PIs to assess all the jobs that have entered the new service delivery model as of 1st of April 2021 to enable the team to baseline the performance of the new way of working, from a PI perspective. This will allow assessments of the process to identify any anomalies or under-performance. Measures will highlight different parts of the process and will identify the time taken between referral and completed application and approval; and time taken between start and finish of jobs (medium and large).

4.12 P1, SS4: That the relationship with Princess of Wales (POW) Hospital continues to be strengthened.

4.12.1 The Housing OT working as part of the DFG teams has established joint meetings with the POW on a weekly basis and undertakes joint assessments for complex cases. Referral paperwork and recording of information on the Welsh Community Care Information System (WCCIS) now brings children's cases in line with adult referrals ensuring there is a central record of needs and actions.

4.13 SS6 Service in House – Outstanding Agent Works

4.13.1 As of the 1st April 2021, the functions of the agent role were brought in-house, however there were a number of DFGs already being undertaken by the agents. These applications will have been brought to a specific point in the process outside of the control of the council and as the Council has no control over the time that this has taken this will have a significant impact on the PIs and the measurement of average days taken to deliver a DFG

4.13.2 Agents have approached the Council to request that complex DFG schemes currently under their remit which require specialist equipment or are difficult to deliver are returned to the Council to complete. This will have a knock-on effect on the overall PIs for the DFG service.

4.14 Covid19 Impact

Due to the pandemic the supply chain for materials has been significantly disrupted resulting in a significant uplift in raw material costs. The report to Cabinet on 19th January 2021 outlined the potential risks with regards to the internalisation and movement to a new operating model and one of those risks was the potential impact of Covid 19 with regards to contractors having

access to materials and resources which could affect the pilot project timeline and the Disabled Facilities Grants performance indicator. Since that report there have been significant events that have changed the general outlook in relation to building works and contractors. It is widely reported that the costs of building materials has increased and that there is a shortage of labour in all sectors of the market. The implications for the DFGs is that many contractors have many months of programmed work, due to the demand from private homeowners who are able to pay a premium for private work. The engagement and attraction of contractors with the ability and capacity to undertake work in Bridgend is a key focus for the team, however the situation is concerning.

5. Effect upon policy framework and procedure rules

5.1 There is no effect on policy framework and procedure rules.

6. Equality Impact 2010 implications

6.1 This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the Council should work to deliver well-being outcomes for people. The following is a summary to show how the five ways of working to achieve the well-being goals have been considered in this report.

Long term	Ensuring best use of available accommodation allowing Citizens to live safely in their own homes
Preventative	Through a person-centered approach preventing an individual escalating into hospital services
Involvement	Providing individuals the choice to remain in their home ensuring they are part of the process from start to finish managed through a single point of engagement
Integration	Ensure individuals can remain within their communities providing an array of benefits including stability through the maintaining of local support networks
Collaboration	Developing a Framework Agreement of contractors for the DFG service. Working in partnership with Social Services Princess of Wales Hospital, (POW) Valleys to Coast (V2C) to deliver the required adaptations necessary and appropriate to meet the needs of the disabled person. Entering into a Collaboration Agreement with NPT

8. Financial implications

8.1 At a meeting on the 19th January Cabinet approved that the additional annual costs of the enhanced team to support the internalisation of the DFG process will be met

from the DFG Capital budget annually, previously used to cover the agency fee. The anticipated costs are £135,018 (based on 2020/21 costs) and is below the historic costs levied by external agents (£139,000).

- 8.2 The Collaboration Agreement with NPT requires a fee per case of 15%, which will be paid out of the DFG capital budget. However, as internal capacity for the DFG service increases through the recruitment of staff, the support provided by NPT will reduce alongside the fees on a pro rata basis. The table below is an illustrative example of the potential costs and demonstrates that if all DFGs were carried out by NPT for a financial year their fees based on the average cost of a DFG would not exceed £139,000 per annum as referenced in 8.1.

Average Number of DFGs Per Annum	Average cost of DFG	15%	Total Fees Per Annum
77	£12,000	£1,800	£138,600

9. Recommendation(s)

9.1 It is recommended that the Governance and Audit Committee:-

- Note progress to date to improve the DFG service.

Gill Lewis
Interim Chief Officer - Finance, Performance and Change
November 2021

Contact officer: Martin Morgans
 Head of Partnerships

Telephone: (01656) 642154

Email: Martin.Morgans@bridgend.gov.uk

Postal address: Civic Offices, Angel St, Bridgend CF31 4WB

Background documents:

Service Users Perspective of DFG's Audit Year 2017/18 report date October 2018
 Auditor General Wales: Housing Adaptations 2018. Report date February 2018
 Regional Internal Audit Shared Services Report, 2019 Report date July 2020

Appendix 1

Recommendations from Auditor General Wales: Housing Adaptations Report February 2018 (summarised)

Recommendation	Action	Progress
R1 WG to set standards for adaptations	<ul style="list-style-type: none"> WG guidance subject to further discussion 	<ul style="list-style-type: none"> Not Started - report will go to cabinet once guidance received.
R2 Local authorities work with partner agencies to strengthen strategic focus	<ul style="list-style-type: none"> Action to re-model the service to ensure a more effective and customer centred approach Work with the Housing Adaptations Steering Group (HASG) in terms of new Welsh Government Guidance Housing Adaptations Strategic Framework - Draft Guidance (Oct 2021) 	<ul style="list-style-type: none"> On-going
R3 Provide information in accessible formats	<ul style="list-style-type: none"> Being developed 	<ul style="list-style-type: none"> Being developed to meet the new model
R4 Delivery Organisations streamline application process	<ul style="list-style-type: none"> Pilot New processes i.e. the applicant, contractor and council surveyor to discuss and agree works at one meeting rather than several Review of the questions on the application form and other paperwork to reduce duplication; OT referral form to be amended 	<ul style="list-style-type: none"> Processes being developed to meet new model requirements Paperwork amended on an interim basis
R5 Improve timeliness in delivery	<ul style="list-style-type: none"> Implement and develop an in-house, service delivery model Staff recruitment 	<p>Being progressed through a variety of actions contained in the report which aims to improve timeliness in particular the recruitment of staff. See section 4.4,4.5,4.6 and 4.7</p>
R6 Delivery Organisations - Introduce formal system for accrediting contractors	<ul style="list-style-type: none"> The use of Construction Line has been introduced which ensures a level of accreditation Pilot tender exercise to be undertaken via E Tender Wales Expanding the customer satisfaction survey to ensure they are able to provide feedback on the standard of works and the 	<ul style="list-style-type: none"> Contractor Framework being progressed Contractor engagement will be carried out as part of Framework tender process Following pilot tender exercise, works are

	conduct and activities of the contractors undertaking the work	now tendered for through E Tender Wales
R6 Delivery Organisations - Use of Framework Agreements	<ul style="list-style-type: none"> Using a Framework to procure stair lifts and their installation. 	<ul style="list-style-type: none"> Contractor Framework tender currently being progressed with target start date June 2022
R6 Delivery Organisations - Update Schedule of Rates	<ul style="list-style-type: none"> Action started to review Rates Discussions with regional colleagues to mitigate variations in price 	<ul style="list-style-type: none"> Bridgend Schedule of Rates review currently being progressed with target date Nov 2021
R6 Delivery Organisations - Undertake competitive tendering	<ul style="list-style-type: none"> Tendering process Undertaken via E Tender Wales 	<ul style="list-style-type: none"> Pilot tendering project completed. Tendering currently underway through E Tender Wales
R6 Delivery Organisations - Develop effective systems to manage and evaluate contractor performance	<ul style="list-style-type: none"> Monitoring will be via the DFG Housing Team with regards contract management and through customer satisfaction surveys 	<ul style="list-style-type: none"> Further development of evaluation and monitoring performance shall be included in the DFG Framework
R7 Local authorities work with partner agencies to develop and improve joint working	<ul style="list-style-type: none"> A new process established with V2C to approve works at the start of the process Discussions held with V2C regarding 'top up' funding for complex cases New process established with Social Services COT – mitigation of statutory intervention and providing independence Contributing to the review on housing for Older People 	<ul style="list-style-type: none"> Ongoing
R8 To enhance take-up delivery organisations jointly agree and publish joint service standards	<ul style="list-style-type: none"> To be developed 	<ul style="list-style-type: none"> To be developed
R9 Effectively manage performance and set appropriate	<ul style="list-style-type: none"> New recording and measures to be developed 	<ul style="list-style-type: none"> On-going

measures to judge both the effectiveness and efficiency	<ul style="list-style-type: none">• Measures will highlight different parts of the process and will identify the time taken between referral and completed application and approval; and time taken between start and finish of jobs (medium and large).	
---	--	--

Appendix 2

Recommendations from WAO: Service Users Perspective of DFGs. Audit Year 2017/18 Report October 2018

Recommendation	Action	Progress
<p>P1 The Council should consider more broadly how its housing adaptations service can contribute to meeting its strategic aim 'To ensure that Bridgend County is a place that people want to live, where there is a choice of good quality, affordable, and sustainable housing, appropriate to the needs of each Household' and the medium and longer-term actions needed to do this. In doing so, it should consider how it can apply the five ways of working from the Wellbeing of Future Generations (Wales) Act to help it do this and the Social Services and Well-being Act.</p>	<ul style="list-style-type: none"> • To re-model the service to ensure a more effective and customer centred approach • Contribute to a review on housing for Older People being undertaken by external consultant via Social Services 	<ul style="list-style-type: none"> • Re-modelling in progress. The change in the delivery model can apply to all the five ways of working however there is a strong emphasis on: • Long Term – enabling citizens to live in their homes for longer • Involvement – citizen centred approach meeting their needs • Prevention – mitigation of statutory intervention and providing independence • Current contributing to the review on housing for Older People
<p>P2 The Council should strengthen its arrangements for evaluating the housing Adaptations service to help the Council improve the service. This includes improving the design of the service user survey and extending it to include all service users and to increase awareness of the survey and the results across the organisation.</p>	<ul style="list-style-type: none"> • Expansion of survey questions to include comment on contractors to support monitoring and quality control. • Survey work on the completions of jobs continue and DFG officers will provide a single point of contact for the citizens 	<ul style="list-style-type: none"> • To be strengthened when new model established. • New operational level PIs to be introduced from April 2022

	throughout the process	
<p>P3 The Council should help service users understand the often complicated process that involves multiple organisations by providing a clear and simple overview of the grant process from beginning to end.</p>	<ul style="list-style-type: none"> • Introduction of new pilot process combines visit to applicant with council surveyor and contractor to ensure engagement and overview of process and manage expectations 	<ul style="list-style-type: none"> • In progress • Implemented in conjunction with the pilot process and will be further strengthened with the introduction of the DFG Framework
<p>P4 The Council should fully implement the recommendations made by the Auditor General for Wales in his report in 2018 on housing adaptations, most notably Recommendation 6 to introduce formal systems for accrediting contractors to undertake adaptations including developing effective systems to manage and evaluate contractor performance.</p> <ul style="list-style-type: none"> • The Council should ensure it has arrangements in place to monitor and manage the performance of third parties involved in the DFG process. This performance information should be shared with service users to inform their decision upon which agent and builder to engage for their housing adaptation. • Formally accrediting contractors and continually monitoring user satisfaction will satisfy the Council that adequate safeguards are in place to protect vulnerable service users when builders are entering their homes. 	<ul style="list-style-type: none"> • New model which will ensure the agents function undertaken in house thereby allowing greater monitoring and performance evaluation of the process and contractors used. • Use of E Tender Wales, Construction Line, and establishment of a DFG Framework of Contractors supports the accreditation of contractors, and supports greater monitoring by housing 	<ul style="list-style-type: none"> • New model being implemented. • To be strengthened further once the DFG Framework is in place
<p>P5 The Council needs to assure itself that it has appropriate controls in place to provide effective oversight of the adaptations process, given it is ultimately responsible for the delivery of the adaptation.</p>	<ul style="list-style-type: none"> • Development of new arrangements underway which will meet this requirement • Removal of the 3rd Party Agent 	<ul style="list-style-type: none"> • The DFG grant officer aligned to the specific citizens DFG will oversee the DFG end to end, but will be supported by the DFG Grants team

		ensuring effective oversight
--	--	------------------------------

Appendix 3

Recommendations from Regional Internal Audit Shared Service Audit Report March 2020. Audit Year 19/20

Recommendation	Action	Progress
SS1. An information guide for applicants is produced and made available on-line	<ul style="list-style-type: none"> • To implement within 3 months of decision on new model. 	<ul style="list-style-type: none"> • In progress • New model being progressed and information to be made available when completed
SS2. The processes are reviewed to be as efficient as possible and documented procedure notes to be put in place	<ul style="list-style-type: none"> • To undertake - • New processes i.e. the meeting of applicant, contractor and council surveyor to discuss and agree works at one meeting rather than several • The cessation of the provision of external agency contact details • A new process with V2C to approve works at the start of the process • Discussions with V2C regarding 'top up' funding for complex cases • New process with Social Services COT team to oversee DFG referrals and Housing OT to deal with any queries • To amend OT referral form to clarify DFG point of contact and referral route • Review Paperwork and put in place interim arrangements 	<ul style="list-style-type: none"> • In progress • New model being progressed. • Pilot tender process – lessons learned identified Pilot recording process established to monitor schemes • Pilot procedure notes written for E tender Wales which will be updated when model finalised • Cessation of the Agent Delivery Model April 1st 2021 • A new process with V2C to approve works at the start of the process established • Discussions held with V2C regarding 'top up' funding for complex cases • New process with Social Services COT team to oversee DFG referrals and Housing OT to deal with any queries • OT referral form to clarify DFG point of contact and referral route amended • Paperwork reviewed and interim arrangements put in place
SS3 That the website differentiated between Children's	<ul style="list-style-type: none"> • Web site to be progressed 	<ul style="list-style-type: none"> • Not Started target date for completion March 2022

and Adults applications		
SS4 That the relationship with Princess of Wales Hospital continues to be strengthened	<ul style="list-style-type: none"> • To take the following actions – • Housing based OT and POW hospital to meet weekly • Housing OT to attends POW screening meetings • Undertake Joint assessments in some complex cases • Housing OT to undertake assessment of children's cases on POW behalf • Referral paperwork to be brought in line with adult referrals to ensure consistency • Data recording to be brought in line with adult referrals and recorded on WCCIS ensuring monitoring and recording • Develop strong relationships to lead to more collaborative working 	<ul style="list-style-type: none"> • Completed
SS5 That the team continues to ensure it has adequate staffing to process applications	<ul style="list-style-type: none"> • Within 12 months of adoption of new service model 	<ul style="list-style-type: none"> • In progress • 2 new permanent posts appointed • 1 agency post in place • Further posts being advertised
SS6 That a review of the Agent's is undertaken and only up to date accurate details are sent to applicants	<ul style="list-style-type: none"> • Review undertaken and provision of agency information ceased 	<ul style="list-style-type: none"> • Completed
SS7 That steps continue to be taken to reduce the average number of days a DFG takes.	<ul style="list-style-type: none"> • On-going target to introduce - • Tendering process to speed up average times • New operational PI's to be established to support KPI's 	<ul style="list-style-type: none"> • On-going

This page is intentionally left blank

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

STATEMENT OF ACCOUNTS 2020-21: AUDIT WALES' MATTERS ARISING LETTER

1. Purpose of report

- 1.1 The purpose of this report is to provide the Committee with Audit Wales' matters arising letter in relation to the audit of the Council's Statement of Accounts 2020-21 for noting.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 The Statement of Accounts provides information regarding the Council's use of resources during the year, and of its financial position as at the year end.

3. Background

- 3.1 The audited Statement of Accounts 2020-21 were presented and approved by the Committee on 22 July 2021, following which the accounts were signed by the Auditor General for Wales and published on the Council's website by the statutory deadline of 31 July 2021.

- 3.2 In line with the International Standard on Auditing (ISA) 260, the external auditor is required to communicate relevant matters relating to the audit of the financial statements to those 'charged with governance'. Due to the tight timescales to meet the statutory deadline for publishing the accounts by 31 July 2021 the matters arising and areas for improvements were not reported to the Committee at the meeting in July 2021.

4. Current situation/proposal

- 4.1 In line with ISA 260, the Matters Arising letter is attached at **Appendix A**. The letter confirms that the financial statements were given an unqualified opinion and that Audit Wales have no concerns about the qualitative aspects of the Council's accounting practices and financial reporting.

4.2 The audit did identify three potential areas for improvement which have been considered and agreed, and will be addressed in readiness for the 2021-22 closing of accounts process, as set out in **Appendix A**.

5. Effect upon policy framework and procedure rules

5.1 The report does not have any impact on policy framework or procedure rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an EIA in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation(s)

9.1 It is recommended that the Committee:

- Note the appointed auditor's Matters Arising letter at **Appendix A**.

Gill Lewis CPFA
Interim Chief Officer – Finance, Performance and Change
November 2021

Contact officer: Nigel Smith
Interim Group Manager – Chief Accountant

Telephone: (01656) 643605

Email: nigel.smith@bridgend.gov.uk

Postal address: Raven's Court
Brewery Lane
Bridgend CBC
CF31 4AP

Background documents:

None

This page is intentionally left blank

Gill Lewis
Chief Officer (Finance, performance
and change)
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: 2653A2021-22
Date issued: 21 October 2021

Dear Gill

Matters arising from our 2020-21 audit

We have now completed our 2020-21 audit of the financial statements for Bridgend County Borough Council.

I can confirm that the financial statements were given an unqualified opinion on 23 July 2021.

As detailed in our Audit of Financial Statements Report (presented to the Governance and Audit Committee on 22 July 2021), we have no concerns about the qualitative aspects of your accounting practices and financial reporting. Whilst we did not identify any material weaknesses in your internal controls, we did identify some potential areas for improvement which we have set out for your consideration in **Appendix 1**.

Yours sincerely



Jason Blewitt
Audit Manager

Appendix 1 – matters arising

Detail	For management to consider	Management Response
<p>Control Account Reconciliations Testing of a total of 14 control account reconciliations (for debtors, creditors, payroll, NNDR and council tax) identified that none of them had been evidenced as reviewed by a second person.</p>	Control accounts should be reviewed by a second person, and evidenced as such, to ensure that they have been accurately completed.	Agreed.
<p>Completeness of exit packages Review of exit package disclosures in Note 15 (disclosure 4) of the financial statements identified that 2 exit packages totalling £2,496 had not been accrued for or disclosed in the financial statements.</p>	Through liaison with HR, a thorough review of all departures should be completed to ensure that accruals and associated disclosures for exit packages are complete and include all departures approved within the financial year.	Agreed. We will continue to maintain a thorough review of departures to ensure an accurate disclosure in the Statement of Accounts.
<p>Capital debtors and creditors Testing of capital debtors and creditors (codes W218, X750 and X113) identified the following</p>	Capital debtor and creditor balances should be reviewed to ensure that the amounts included reflect actual income to be received	Agreed. We will undertake a review of balances to ensure amounts are correctly reflected in

Detail	For management to consider	Management Response
<p>errors in the amounts accrued for income due on individual capital projects:</p> <ul style="list-style-type: none"> • X750 creditor overstated by £125,000 where it could not be evidenced that the capital income received in excess of expenditure was repayable to WG, • W218 debtor understated by £30,000; where the amount per the outstanding claim form did not agree with that accrued in the ledger; • X113 debtor overstated by £39,000, where the amount per the outstanding claim form did not agree with that accrued in the ledger. <p>The above errors are primarily the result of the amounts accrued being based on funding outstanding and not income due to be received or repaid.</p>	<p>or repaid and are fully supported by the appropriate evidence.</p>	<p>the Statement of Accounts and are supported by appropriate evidence.</p>

This page is intentionally left blank

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

TREASURY MANAGEMENT – HALF YEAR REPORT 2021-22

1. Purpose of report

1.1 The purpose of this report is to:-

- update the Governance and Audit Committee on the mid-year review and half year position for treasury management activities and treasury management indicators for 2021-22;
- highlight compliance with the Council's policies and practices which have been reported to Cabinet and Council.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

2.2 The work of the Governance and Audit Committee supports corporate governance and assists in the achievement of all corporate and service objectives. Prudent treasury management arrangements will ensure that investment and borrowing decisions made by officers on behalf of the Council contribute to smarter use of financial resources and hence assist in the achievement of the Council's well-being objectives.

3. Background

3.1 The Governance and Audit Committee has been nominated to be responsible for ensuring effective scrutiny of the Treasury Management Strategy (TMS) and policies. During the 2021-22 financial year to date, in addition to the regular treasury management reports to Cabinet and Council, the Governance and

Audit Committee received the Annual Treasury Management Outturn Report 2020-21 in July 2021.

- 3.2 The Council's treasury management activities are regulated by the Local Government Act 2003 which provides the powers to borrow and invest as well as providing controls and limits on this activity. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, develops the controls and powers within the Act. This requires the Council to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities and to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services (TM Code). The Council is required to operate the overall treasury function with regard to the TM Code and this was formally adopted by the Council in February 2012. This includes a requirement for the Council to approve a TMS before the start of each financial year which sets out the Council's and Chief Financial Officer's responsibilities, delegation, and reporting arrangements.
- 3.3 Treasury investments covers all of the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. The Council's Capital Strategy includes the Prudential Indicators and the Council's non-Treasury investments. The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans. Both were approved by Council on 24 February 2021.
- 3.4 The Council's treasury management advisors are Arlingclose. The current services provided to the Council include:
- advice and guidance on relevant policies, strategies and reports
 - advice on investment decisions
 - notification of credit ratings and changes
 - other information on credit quality
 - advice on debt management decisions
 - accounting advice
 - reports on treasury performance
 - forecasts of interest rates
 - training courses

4. Current situation/proposal

- 4.1 The Council has complied with its legislative and regulatory requirements during the first half of 2021-22. The TMS 2021-22 was approved by Council on 24 February 2021 with the Half Year Report presented on 20 October 2021.
- 4.2 A summary of the treasury management activities for the first half of 2021-22 is shown in table 1 in **Appendix A**. Since the start of the financial year the Council has had surplus funds for investment. The Council receives two instalments of Welsh Government core funding (Revenue Settlement Grant) during April at

£12.6 million per instalment and was able to carry forward additional grant funding from 2020-21. As a result, the balance on investments at 30 September 2021 was £79.84 million with an average rate of interest of 0.06%. This is a significant reduction from the same time last year when the average rate was 0.24% and shows the impact of the reductions in interest rates as a result of the pandemic.

- 4.3 The Council has not taken long-term borrowing since March 2012. The TMS 2021-22 anticipated that the Council would need to borrow £30.37 million during the year, however, this was on an assumption that the Council would have £43 million held in usable reserves that it could use in the short term to finance expenditure. As at 31 March 2021 the Council's usable reserves stood at £114 million, an increase from £83 million as at 31 March 2020, which was not foreseen when the TMS was approved. The Council received £20.6 million from the Welsh Government Hardship Fund, which was more than had been anticipated during the year, as well as further additional grants from Welsh Government in the final quarter of 2020-21 of £8.9 million and capital receipts during the year of £2.9 million, as reported to Council in the Revenue Budget Outturn 2020-21 report on 23 June 2021. However, it is important to note that while the use of usable reserves in lieu of new borrowing is prudent, it is a short-term position and as the reserves are used for specific projects it will become necessary to borrow in the future to finance Capital expenditure. Based on the current capital programme and the expected use of reserves allocated therein, it is expected that there will not be a requirement for new long-term borrowing in 2021-22. Detail on forecast capital spend is provided in the Capital Strategy 2021-22 which was approved by Council on 24 February 2021 and the Quarter 2 Capital Monitoring position reported to Council on 20 October 2021.
- 4.4 Restructuring of the debt portfolio, and in particular the Lender Option Borrower Option (LOBO) loans has been previously considered. The LOBOs have two trigger points during the year at which point the lender may consider offering the Council the option to repay the loan without penalty. At the current interest rates the lender is not likely to exercise that option. Any renegotiation of the LOBO would result in a premium payable by the Council. At current rates the premium would far outweigh the savings achievable. The Council will continue to review its long-term lending and would take the option to repay these loans at no cost if it has the opportunity to do so.
- 4.5 Table 4 in section 4 of **Appendix A** details the movement of the investments by counterparty types and shows the average balances, interest received, original duration and interest rates for the first half of 2021-22.
- 4.6 The TM Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2021-22 set out in the Council's TMS, against current projections, are shown in **Appendix A** and these show that the Council is operating in line with the approved limits.
- 4.7 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher and **Appendix B** shows the equivalence table for

credit ratings for Fitch, Moody's and Standard & Poor's and explains the different investment grades.

- 4.8 CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. The outcome of this review is that there are no changes required.

5. Effect upon policy framework and procedure rules

- 5.1 As required by Financial Procedure Rule 20.3 within the Council's Constitution, all investments and borrowing transactions have been undertaken in accordance with the TMS 2021-22 as approved by Council with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or review of policies, strategies, services and functions. This is an information report therefore it is not necessary to carry out an Equality Impact Assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As this report is for information and is retrospective in nature it is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1 The financial implications are reflected within the report.

9. Recommendations

- 9.1 It is recommended that the Committee:
- note the treasury management activities for 2021-22 for the period 1 April 2021 to 30 September 2021 and the projected Treasury Management Indicators for 2021-22.

Gill Lewis
Interim Chief Officer – Finance, Performance and Change

November 2021

Contact Officer: Nigel Smith
Group Manager – Chief Accountant

Telephone: 01656 643605

E-mail: nigel.smith@bridgend.gov.uk

Postal Address: Civic Offices, Angel Street, Bridgend, CF31 4WB

Background documents:

None

This page is intentionally left blank

APPENDIX A

SUMMARY OF TREASURY MANAGEMENT ACTIVITIES 2021-22 1 APRIL TO 30 SEPTEMBER 2021

1. External Debt and Investment Position

On 30 September 2021, the Council held £96.87 million of external long-term borrowing and £79.84 million of investments. The Council's external debt and investment position for 1 April to 30 September 2021 is shown below in Table 1; more detail is provided in section 3 - Borrowing Strategy and Outturn - and section 4 - Investment Strategy and Outturn:

Table 1: External debt and investment position 1 April 2021 to 30 September 2021

	Principal 01/04/2021 £m	Average Rate 01/04/2021 %	Principal 30/09/2021 £m	Average Rate 30/09/2021 %
External Long Term Borrowing:				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
Total External Borrowing	96.87	4.69	96.87	4.69
Other Long Term Liabilities (LTL):				
Private Finance Initiative (PFI)*	15.56		15.16	
Other LTL	2.33		2.81	
Total Other Long Term Liabilities	17.89		17.97	
Total Gross External Debt	114.76		114.84	
Treasury Investments:				
Debt Management Office	0.00	0.00	15.34	0.01
Local Authorities	48.50	0.22	28.50	0.13
Banks	1.00	0.05	12.00	0.04
Money Market Fund***	2.05	0.02	24.00	0.01
Total Treasury Investments	51.55	0.21	79.84	0.06
Net Debt	63.21		35.00	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 12.75 years remaining term

*** these funds provide instant access

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital

Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to delay the need to borrow externally by temporarily using cash it holds for other purposes such as earmarked reserves. This is known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. The CFR is forecast to increase from 2020-21 levels due to the amount of prudential borrowing in the capital programme in future years. The Loans CFR is estimated to be £170.25 million as shown in table 2 below.

The liability benchmark measures the Council's projected net debt requirement plus a short-term liquidity allowance in the form of minimum cash and investment balances. The purpose of the benchmark is to set the level of risk which the Council regards as its balanced or normal position. The forecast liability benchmark, or level of debt, as at 31 March 2022 is £100.31 million, which is lower than the estimate within the TMS. The current level of long-term borrowing is £96.87 million. As the Council has available reserves it can use them to fund capital expenditure in the short term, which is a prudent approach to managing its cash resources. Table 2 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	2020-21 Actual	2021-22 Estimate TMS	2021-22 Projection
	£m	£m	£m
Loans Capital Financing Requirement	158.21	166.35	170.25
Less: Usable reserves	(114.43)	(49.11)	(79.94)
Plus: Actual/Minimum investments	10	10	10
Liability Benchmark	53.78	127.24	100.31

2. External Context

The Bank of England (BoE) has continued to hold the Bank Rate at 0.1% following the Monetary Policy Committee (MPC) voting unanimously for rates to remain unchanged at its meeting of 22 September 2021.

Annual CPI inflation rose to 2.1% in May and then again to 3.2% in August. As inflation rates during the pandemic remained low, small increases have a relatively large impact on the current inflation rate. In addition global cost pressures have continued to affect UK consumer goods prices. To a lesser degree, the reopening of the economy has led to a further increase in some

consumer services prices. Inflation expectations are currently being driven by rising oil prices and, in the UK, on-going signs of supply shortages. The HGV driver shortage and the higher wages being offered in that sector are likely symptomatic of the various effects of both Brexit and the pandemic.

The furlough scheme ended at the end of September with the Bank of England only expecting a small rise in unemployment. Since March 2020 when the pandemic began and the Coronavirus Job Retention Scheme was introduced, the furlough scheme has supported the wages of 11.6 million workers at a cost of over £68 billion. However, the impact of the ending of the scheme will only be known over the forthcoming months.

3. Borrowing Strategy and Outturn for 1 April to 30 September 2020

At 30 September 2021, the Council held £96.87 million of long-term loans as part of its strategy for funding previous years' capital programmes. The TMS 2021-22 forecast that the Council would need to borrow £30.37 million in 2021-22. Currently it is forecast that the Council will not need to take out new borrowing during the year, however this is dependent on the progress of the Capital Programme expenditure during the year and the use of available earmarked reserves during the year. More detail on forecast capital spend is provided in the Capital Strategy 2021-22 which was approved by Council on 24 February 2021 and the Quarter 2 Capital Monitoring report going to Council on 20 October 2021.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. Therefore the major objectives to be followed in 2021-22 are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to effect funding in any one year at the cheapest cost commensurate with future risk
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

Given the impact of the Covid-19 pandemic on the economy and public finances in general, as well as on local government funding in particular, and the uncertainty going forward, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term

stability of the debt portfolio. The ever increasing uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or take out short term loans instead.

The Council's primary objective for the management of its debt is to ensure its long term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates. Following the increase in the numbers of local authorities taking out PWLB loans to buy commercial properties for yield, following a UK government consultation HM Treasury issuing revised lending terms for PWLB borrowing by local authorities in November 2020. As a condition of accessing the PWLB, local authorities will be asked to confirm that there is no intention to buy investment assets primarily for yield in the current or next two financial years. Local authorities' Section 151 Officers, or equivalent, will be required to confirm that capital expenditure plans are current and that the plans are within acceptable use of the PWLB. Whilst this in itself does not preclude the Council from investing in commercial activities, investing in assets for yield would preclude the Council from accessing PWLB borrowing. Given the investment and borrowing requirement to support the Capital Programme, the Council is unlikely to consider any investments in commercial assets primarily for yield. CIPFA are also currently undertaking a consultation on proposed changes to the Prudential Code and Treasury Management Code of Practice. The outcome of this consultation will provide further clarification around what is commercial activity and investment and confirm that the purchase of property cannot lead to an increase in the capital financing requirement. It will also set out that it would not be considered prudent for a Local Authority to borrow to invest primarily for financial return, and therefore it must not do so.

The last time the Council took out long term borrowing was £5 million from the PWLB in March 2012. Should there be a need to borrow it is likely to be from the PWLB. For estimate purposes it has been assumed that this would be over 30 years. The Council may also take out short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no rescheduling of the Council's long term borrowing so far this year however, in conjunction with the Council's Treasury Management advisors Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.

The £19.25 million in table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and therefore, the Council being

given the option to accept the increase or to repay the loan without incurring a penalty. The lender did not exercise their option on 22 July 2021 and the next trigger point is 22 January 2022. The lender is unlikely to exercise their option in the current low interest rate environment, however, an element of refinancing risk remains. The Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%. The premiums payable to renegotiate the Council's Lender's Option Borrower's Option (LOBO) continues to be cost prohibitive.

The Treasury Management indicator shown in Table 3 below is for the Maturity Structure of Borrowing and is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2021-22 and the projections for 2021-22 are:

Table 3: Treasury Management Indicator Maturity Structure of Borrowing 2021-22

Refinancing rate risk indicator Maturity structure of borrowing 2020-21	TMS 2021-22 Upper limit %	TMS 2021-22 Lower limit %	Projection 31-3-22 %
Under 12 months	50	-	19.87
12 months and within 24 months	25	-	-
24 months and within 5 years	25	-	9.59
5 years and within 10 years	40	-	16.33
10 years and within 20 years	50	-	16.64
20 years and above	60	25	37.57

The 19.87% shown in Table 3 above relates to the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in the paragraph above. The CIPFA Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the option/call dates in 2021-22, so the maturity date is actually uncertain but is shown in the "Under 12 months" category as per the Code.

4. Investment Strategy and Outturn 1 April to 30 September 2021

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

The major objectives during 2021-22 were:-

- To maintain capital **security**

- To maintain **liquidity** so funds are available when expenditure is needed
- To achieve the **yield** on investments commensurate with the proper levels of security and liquidity

The Annual Investment Strategy incorporated in the Council's TMS 2021-22 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council's investments have historically been placed in mainly short-term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. The majority of the Council's surplus cash is currently invested in Money Market Funds and with other local authorities, but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy. In the last 6 months Arlingclose has been constantly stress testing the financial institutions on its recommended counterparty list during the pandemic and, as a result, has removed a number from its recommended list for unsecured deposits and revised the credit rating, outlook and recommended deposit period for a number of others. This reflects the revised likely credit worthiness of the institutions from the economic and financial market implications of coronavirus. The Council takes into account updated advice from its advisors before making any investment decisions.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in Table 1 above, the balance on investments at 30 September 2021 was £79.84 million. Table 4 below details these investments by counterparty type. The average investment rate in the period 1 April to 30 September 2021 was 0.08% (Table 4) and was 0.06% at 30 September 2021 (Table 1 – Total Treasury Investments).

Table 4: Investments Profile 1 April to 30 September 2021

Investment Counterparty Category	Balance 01 April 2021 (A) £m	Investments raised (B) £m	Investments Repaid (C) £m	Balance 30 September 2021 (A+B-C) £m	Investment income received** Apr-Sept 2021 £'000	Average original duration of the Investment Days	Weighted average investment balance Apr-Sept 2021 £m	Weighted average interest rate Apr-Sept 21 %
Government DMO	-	173.50	158.16	15.34	0.63	12	10.63	0.01
Local Authorities	48.50	35.50	55.50	28.50	65.08	192	25.19	0.18
Banks (Fixed Maturity)	1.00	24.00	16.00	9.00	1.62	32	2.69	0.07
Banks Instant Access/Notice Period Account	-	3.00	-	3.00	0.09	-	5.90	0.03
Building Societies	-	-	-	-	-	-	-	-
Money Market Fund (Instant Access)	2.05	33.85	11.90	24.00	1.78	-	22.56	0.02
Total/Average	51.55	269.85	241.56	79.84	69.20	166	66.97	0.08

** actual income received in year excluding accruals

The Treasury Management indicator shown below in Table 5 is for Principal Sums Invested for periods longer than a year. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose

of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long-term investments. The limit on the long-term principal sum invested to final maturities beyond the period end are set out in the TMS 2021-22.

Table 5: Treasury Management Indicator Principal Sums Invested for periods longer than a year

Price risk indicator	TMS 2021-22 £m	Projection 31-3-22 £m
Limit on principal invested beyond financial year end	15	Nil

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from Arlingclose will be sought as necessary.

There were no long-term investments (original duration of 12 months or more) outstanding at 30 September 2021. All investments at 30 September 2021 were short term deposits including Government Debt Management Office (DMO), Money Market Funds, Local Authorities, instant access and notice accounts. Table 6 below details these investments by counterparty type based on the remaining maturity period as at 30 September 2021:

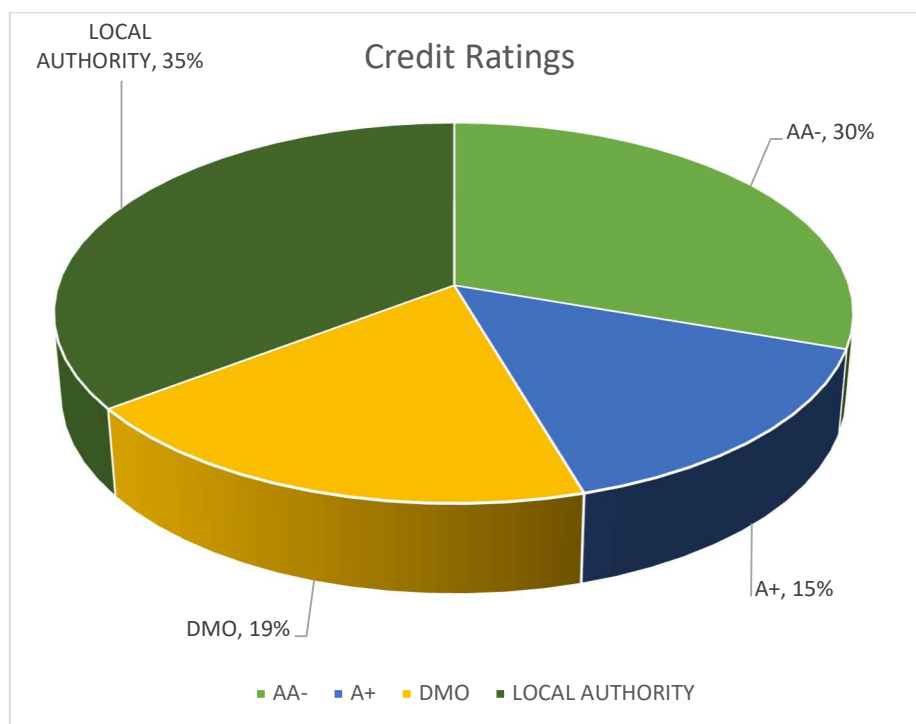
Table 6: Investments Outstanding Maturity Profile 30 September 2021

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Total £m
Government DMO		15.34			15.34
Local Authorities			4.50	24.00	28.50
Banks	3.00	9.00			12.00
Building Societies					0.00
Money Market Funds	24.00				24.00
Total	27.00	24.34	4.50	24.00	79.84

Investment decisions are made by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within the Council's agreed minimum credit rating. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Appendix B** shows the equivalence table for credit ratings for three of the main rating agencies Fitch, Moody's and Standard & Poor's and explains the different investment grades. The Council defines high credit quality as organisations and securities having a

credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

The pie chart below summarises Table 6 by credit ratings and shows the £79.84 million investments at 30 September 2021 by percentage. Most Local Authorities do not have credit ratings and the £24 million invested with AA- rated MMF's were on an approved counterparty by Arlingclose, whilst the remainder of the investments all had a credit rating of A or above.



5. Interest Rate Exposures – Borrowing and Investments

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short-term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage Interest Rate Exposures.

Table 7: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	Indicator £'000	As at 30-09-21 £'000
One year revenue impact of a 1% rise in interest rates	(273)	(573)
One year revenue impact of a 1% fall in interest rates	474	765

This has been set as an **indicator** (not a limit) to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

The figures for the 1% fall in interest rates indicator are not the same figures as the 1% rise in interest rates (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates

6. Review of the Treasury Management Strategy 2021-22

CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. The outcome of this review is that no changes to the TMS 2021-22 are required at this time.

APPENDIX B

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
	SPECULATIVE GRADE	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-
BB+			Ba1		BB+		
BB			Ba2		BB		
Very speculative		BB-	B	Ba3	Not Prime (NP)	BB-	B
		B+		B1		B+	
		B		B2		B	
Vulnerable		B-	C	B3	Not Prime (NP)	B-	C
		CCC+		Caa1		CCC+	
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
	CC	Ca		CC			
Defaulting	C				C		
	D	D	C		D	D	

Standard & Poor's (S&P), Moody's and Fitch are the three most significant rating agencies in the world. These agencies rate the creditworthiness of countries and private enterprises.

"AAA" or "Aaa" is the highest rating across all three rating agencies and indicates the highest level of creditworthiness. A "D" rating ("C" rating from Moody's) indicates poor creditworthiness of a company or government. A difference is made between short-term and long-term ratings.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

CORPORATE RISK ASSESSMENT 2021-22

1. Purpose of report

- 1.1. The purpose of the report is to provide the Governance and Audit Committee with an update on the changes to the Corporate Risk Assessment, in accordance with the Council's risk management timeline contained in the Council's Risk Management Policy.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1. This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
 - **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1. Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2. The Governance and Audit Committee's Terms of Reference require the Committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements.
- 3.3. The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board (CMB), Senior Management Team, and Governance and Audit Committee as part of the Council's quarterly Corporate Performance Assessment framework and is used to inform the Overview and Scrutiny Committees' Forward Work Programme and the budget process.
- 3.4. The 2021-22 Corporate Risk Assessment is aligned with the Council's Medium Term Financial Strategy (MTFS) and Corporate Plan.

4. Current situation / proposal

- 4.1. The Corporate Risk Assessment attached at **Appendix 1** has been reviewed in consultation with CMB, and Cabinet and Corporate Management Board (CCMB). It identifies the main risks facing the Council, their link to the corporate well-being

objectives under the Well-being of Future Generations (Wales) Act 2015, the likely impact of these risks on Council services and the wider County Borough, identifies what is being done to manage the risks and who is responsible for the Council's response.

4.2. The Corporate Risk Assessment has been/will be amended as per Table 1:

Table 1 – Amendments to Corporate Risk Assessment

Risk	Action
Risk 1	- Narrative has been revised to reflect current position
Risk 2	- Narrative has been revised, and the residual score revised upwards
Risk 3	- This risk should be de-escalated to Directorate Risk Register
Risk 4	- Additional narrative has been added regarding the inability to deliver the Capital Programme on time
Risk 5	- This risk should be de-escalated to the Directorate Register
Risk 6	- The narrative has been revised to include comments regarding Homelessness, Adult Social Care and post Covid pressures
Risk 7	- The risk has been updated to reflect the current position
Risk 8	- The narrative has been updated to reflect the current position
Risk 9	- The risk that important council services are compromised due to the failure of a key supplier is to merge with Risk 7
Risk 10	- To remain on the register and be reviewed at a future meeting
Risk 11	- Has been updated to reflect the recovery position
Risk 12	- No Changes required
Risk 13	- Narrative has been amended to reflect the current position
Risk 14	- This risk should be de-escalated to the Directorate Risk Register
Risk 15	- The risk that schools are not able to maintain educational standards has been merged with Risk 14
Risk 16	- Narrative has been updated to clarify the mitigating actions

4.3. The de-escalated risks will be removed from the Corporate Risk Assessment going forward. It is noted that an archived risk may be brought back to the Corporate Risk Assessment risk register if the risk re-emerges as a priority in the future.

4.4. Following the de-escalation of 3 risks to the appropriate Directorate Registers, and the proposed merger of two Risks the Corporate Risk Assessment will have 11 risks. Of these 11 risks, 7 risks are scored as high, 3 risks are scored as medium, and 1 is scored as low.

5. Effect upon policy framework and procedure rules

5.1. There are no implications upon policy framework and procedural rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. This is an information report, therefore, it is not necessary to carry out an Equality Impact assessment in the production of this report.

It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1. The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1. There are no financial implications directly associated with the updated Corporate Risk Assessment. Implementation actions will be progressed within approved budgets.

9. Recommendations

- 9.1. It is recommended that the Committee consider the updated Corporate Risk Assessment 2021-22 (**Appendix 1**) and receive a further report in January 2022 as part of the review of the 2022-23 Corporate Risk Assessment and the Corporate Risk Management Policy.

Gill Lewis
Interim Chief Officer – Finance, Performance and Change
November 2021

Contact Officer: Karen Davies
Risk Management & Insurance Officer

Telephone: (01656) 643318

E-mail: Karen.Davies@bridgend.gov.uk

Postal Address: Raven's Court, Brewery Lane, Bridgend CF31 4AP

Background documents:

None

This page is intentionally left blank

No.	IDENTIFIED RISK		Raw risk score			ACTION PLAN		Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective	
	There is a risk that	Consequences of risk	Li	Im	Total	Control method	Date Risk score assigned						How is the council addressing this risk	Li	Im		Total
1	The council is unable to make robust medium to long term decisions requiring service change	It is harder each year to make ongoing budget reductions as easier decisions have already been made. If more difficult decisions about cutting or reducing service levels against a background of declining budgets are not made, then the council will not deliver the changes necessary to achieve a balanced budget which will result in it being in breach of its legal responsibilities. The true impact of COVID remains unclear in terms of the Council's financial sustainability. Careful planning and difficult choices will be key to ensuring that a balanced financial position is able to be maintained.	4	5	20	Treat	Jan-19	The council manages this risk through existing budget and business planning processes which include early identification of savings targets and development of options for cabinet, challenge from BREP, scrutiny and formal and informal briefings of members and political groupings. The impact of COVID has been significant in terms of both timetable and the focus on achieving savings. Due to the more generous WG settlement for 20/21 the savings targets were lower than usual and so most of those will be met. Work to deliver a balanced budget for 2021/22 and beyond is underway, but many aspects remain uncertain.	CMB	Sep-2021	Dec-2021	Feb-2021 then ongoing quarterly review	3	5	15	Smarter use of resources	
2	The council is unable to deliver transformation including agreed financial savings	If the council is unable to change the way that staff work, including new roles, collaborations and the acquisition of new skills, it will be unsuccessful in delivering service transformation which will lead to it not meeting its commitments within available budgets.	4	4	16	Treat	Jan-19	The council has a number of programmes and strategies in place that either directly support specific proposals for service improvement, provide wider transformation opportunities and /or financial savings. Further transformation opportunities have been identified that are intended to support a 'One Council' culture and support staff and managers through transformation. Further development of a 'One Council' culture and transformational change has progressed in recent years and has been accelerated as a response to the Covid-19 pandemic. A much more corporate approach to service provision and transformation has been driven by CMB. Our response to the pandemic has challenged the way that we work across all services, and we will need to quickly adapt and learn any lessons from this that can be embedded into 'new normal' and recovery. The Council has agreed a Digital Strategy and under the Digital Programme Board will progress a number of projects using digital solutions that are designed around the people that use them, to deliver seamless connectivity, and support the vulnerable in our communities. This is complemented by a more digital staff, as a result of the pandemic and the need to work differently and in a more agile way. A review of Council processes over recent months has meant that some deemed unnecessary and bureaucratic have ceased but full compliance with those that remain is required. Examples of processes which have stopped without impacting on compliance include the cessation of wet ink signing and printing of documents as documentation is now electronically signed, physical attendance to open tenders replaced with opening on-line, a move to electronic authorisation of invoices on the Electronic Documents Record Management system and the replacement of in attendance training events with on-line remote training. The Organisational Development team are constantly reviewing the type of methods of training and development that staff have available to them to meet current challenges, whilst ensuring an appropriate balance is retained in also promoting and enhancing the wellbeing of those staff in work. Staff are able to access more on-line learning opportunities than previously, and there has been a move away from physical attendance at training courses, which used to be prohibitive. This has widened the range of opportunities, enabled more staff to participate and consequently increased skill sets. The Council is also pushing forward on its apprenticeship programme and has introduced a Graduate Programme to enable it to develop more in-house skills to enable us to take forward alternative, less traditional, delivery models, thus reducing the need to buy in expertise. Not only will this deliver future financial savings, but will also build a more resilient workforce.	CMB	Sep-2021	Dec-2021	Ongoing	2	4	8	All Well-Being Objectives	

No.	IDENTIFIED RISK		Raw risk score			ACTION PLAN										Well-Being Objective	
	There is a risk that	Consequences of risk	Li	Im	Total	Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Action completed by	Residual risk score			
														Li	Im		Total
3	The council is unable to respond to legislative change	If reducing budgets and a reducing workforce decreases the council's ability to ensure compliance with statutory requirements and to adapt successfully to an ever changing legislative landscape there is a risk that the council will be in breach of its legal responsibilities and may receive adverse regulatory reports, adverse publicity, fines and ultimately the threat of prosecution.	5	4	20	Treat or Transfer	Jan-19	The council manages this risk in a number of ways that are contingent on the particular service area affected. This might include reducing service quality or reprioritising a response to a legislative change over other activity or transferring risk - for example, where legally possible, by transferring responsibility to another provider. However, some service areas are subject to a non delegable duty of care. Examples of where the council has shared risk are Leisure, Cultural services and Waste.	The Council has kept in close contact with its partners throughout the pandemic and has been able to flex and adapt services as required. Waste services continued with some adaptations, but there will be a prolonged period of re-start and recovery for leisure and cultural services, and a shared risk for continuation of services.	CMB	Sep-2021	Dec-2021	On-going	3	4	12	All Well-Being Objectives
4	The council is unable to identify and deliver infrastructure required in the medium to longer term	If the council does not raise sufficient capital to maintain its infrastructure, including roads, street lights, buildings and technology then it may deteriorate bringing financial and safety risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution.	4	5	20	Treat	Jan-19	The council has a ten year capital programme. The development of this programme and arrangements for its review and updating are well established. However the council has identified scope to improve upon this to ensure that these needs are balanced with other demands for capital (such as new schools).	The Council will consider all seek external and match funding for projects where possible, in order to maximise its capital programme spending capability. Where feasible the capital earmarked reserve will be replenished on an annual basis to mitigate the decline in available and potential new capital receipts. The Council will continue to operate a strategy where capital receipts are not ring-fenced, to ensure that maximum flexibility is available. All capital bids will be fully considered by CMB and CCMB in line with the Capital Strategy, before inclusion in the capital programme. Schemes must have been subject to a full feasibility assessment. This should inform more accurate costings and profiling of spend to avoid potential overspends or delays in schemes. The procurement process will also be considered and qualification criteria updated to try and avoid supplier issues.	CMB	Sep-2021	Dec-2021	Complete with ongoing review	3	5	15	Supporting a successful sustainable economy and smarter use of resources
5	The council is unable to develop positive working relationships across all partners within the new region to ensure that the needs of the Bridgend community are fairly recognised in the immediate future.	If the council is unable to successfully build on the progress made, during the first year, of operating within a new region with the health Board, local government and third sector partners, there is a risk that appropriate care to citizens through new service models and relationships will be slowed down or not be delivered resulting in citizens receiving a less satisfactory service with poorer outcomes.	4	4	16	Treat	Jan-19	The Council has worked hard during the first year to embed Bridgend in the new Cwm Taf Morgannwg partnerships and build a solid platform for delivery of services. This was tested through the COVID pandemic and there are a number of strands of work to look at 'what worked' and 'what worked less well'. It will be important for the Council to learn lessons from this period, both as a body and as a key partner, and to build on those strengths for the future. By working with the new region, Bridgend has continued to receive Integrated Care Funding for a range of bids that have enabled either the continuation of previously funded services or assisted with the development of new service initiatives. It will be important to continue this relationship to secure further ICF for future projects.	Continue to work with the Health Board, local government and third sector partners to ensure processes are in place to develop regional approaches to service delivery. This includes effective management and monitoring of regional grant funding that is directed through the Partnership Board and the ongoing development of integrated services.	CMB	Sep-2021	Dec-2021	Feb-2021	2	4	8	Helping people and communities to be more healthy and resilient and smarter use of resources
6	The council fails to safeguard vulnerable individuals e.g. children, adults in need of social care, homeless etc.	If budgets and the workforce continue to decline there is a risk that the council will be unable to provide the necessary services to vulnerable people resulting in the possibility that vulnerable people will not be kept safe and be encouraged to greater-self-reliance.	4	5	20	Treat	Jan-19	The council has well established mechanisms to ensure compliance with statutory responsibilities. This includes its own operational safeguarding board and active management of demand and caseloads. All meetings of CMB and of Cabinet/CMB have a standing item to consider safeguarding matters and allow for appropriate management actions to be taken quickly. Good management oversight with robust quality assurance and risk management arrangements will mitigate presenting risks.	The review by internal audit identified gaps in completion of mandatory training through e learning. These gaps are identified, reported on and monitored by Human Resources Department. The Director of Social Services and Well-being presented the action plan to address the recommendations made by Internal Audit and the Audit Committee in July 2020. Members were content with the action plan and asked for a progress report in due course. The full range of Safeguarding activities was reported to Overview and Scrutiny Committee on 3 July 2019.	CMB	Sep-2021	Dec-2021	Completed with ongoing monitoring	3	5	15	Helping people and communities to be more healthy and resilient and smarter use of resources

No.	IDENTIFIED RISK		ACTION PLAN										Well-Being Objective				
	There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
7	The council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber attack and discontinuation of funding streams and major contracts	If the council does not have the capacity and expertise to plan for and protect itself against major threats such as cyber-attack, civil emergencies and significant financial variations there is a risk that there may be a failure to deliver services and a balanced financial position which could harm citizens who rely on council services.	4	4	16	Treat	Jan-19	The council has anti virus installed which is regularly updated. All critical data is backed up and located offsite. Software update processes exist that includes the installation of patches. Security awareness training is provided to all employees. The council has established emergency planning arrangements including a Major Incident Plan and contributes to the South Wales Local Resilience Forum (SWLRF) and South Wales Resilience Team (SWRT). Contract conditions are included in relevant contracts. The terms of these conditions will vary depending on the nature of the contract, but will cover compliance with GDPR, security of personal information and general cyber security. Where contracts are awarded via a framework the necessary conditions will be imposed by the contracting agency for the framework. This has been an increased risk throughout the COVID period with significantly increased risk of attack and many more sophisticated attempts to disrupt the Council's network.	Cyber resilience training continues to be rolled out. The situation is constantly being monitored on an ongoing basis, ICT are reviewing options to mitigate potential cyber attacks as the attack landscape is continually changing. The council has responded swiftly and appropriately to the increased risk posed by increased reliance on ICT and the network. A number of changes - some significant - were made during this period that has helped to mitigate the increased risk. Throughout the period the Council has stayed connected and resilient with many services being delivered remotely. The situation is being monitored on an ongoing basis.	CMB	Sep-2021	Dec-2021	Ongoing	3	4	12	All Well-Being Objectives
8	The council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services	If there is a continual decreasing number of suitably skilled and experienced staff then there may not be the expertise required to deliver services and protect the interests of the council. This is a particular concern for the statutory Section 151 role. This could lead to the wellbeing of citizens suffering and a loss of morale amongst the remaining staff if they feel unsupported and are seeking to work elsewhere.	4	4	16	Treat	Jan-19	In areas where there are recruitment challenges, a variety of approaches are being taken. The marketing of vacancies to reach as wide an audience as possible, promoting specific careers and maximising the use of social media in recruitment advertising, are some examples. Opportunities are being taken to increase capacity and develop skills through trainee type roles, enabling the council to "grow our own", including Apprenticeships; a new Graduate programme and a new Secondment scheme to train staff to become Qualified Social Workers. A market supplement policy has been approved by Council(20 October 2021). The Market Supplement Policy will enable the council, in exceptional circumstances to respond to any established recruitment and retention issues by temporarily increasing the pay awarded to a post, without altering the determined job evaluation grade. Dedicated projects are being established in Social Services and Wellbeing to focus specifically on recruitment and retention in domiciliary care and children's social work.	There is a need to continue to seek alternative approaches to recruit to service areas, acknowledging that one size does not fit all. The benefits of working for the council will be promoted alongside different ways of attracting staff. Consideration will also be given to how the council's agency provider can support this agenda. Different recruitment, advertising and selection methods are being introduced for recruiting Apprentices, to improve the level and quality of applicants and with the aim of developing a pool of Apprentices. The Market Supplement policy will be considered where appropriate to address market issues affecting recruitment. Action plans are in place and being developed to address challenges in the Social Services and Wellbeing Directorate.	CMB	Sep-2021	Dec-2021	Ongoing	4	4	16	All Well-Being Objectives

Page 131

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
6	Important council services are compromised due to the failure of a key supplier	If the suppliers of council services are not resilient there is a risk that they may fail to deliver those services leading to disruption for citizens and the council, which will be impacted as it seeks to restore provision and suffers a loss of reputation.	4	4	16	Treat or Transfer	Jan-19	The council's strongest defence against this is through its procurement strategy and procurement processes. When tendering for services the council requires contingency arrangements to be in place to allow for the eventuality of supplier failure (for example in the case of refuse and recycling collection contracts). The council also seeks to shape the market where possible to avoid over reliance on single suppliers (for example in social care). Where appropriate contract conditions are included to ensure the contractor has the appropriate level of security required for the service they provide. This will differ depending on the nature of the service and the legal requirements applicable.	Social Services have quarterly forum meetings with providers where risks, issues and pressures are identified. There are regular contract monitoring visits to monitor performance and quality. This has continued throughout the pandemic. Directorates to monitor the financial performance and stability of contractors on an ongoing basis. Dialogue with some major suppliers is required and contingency planning has been progressed. This has become increasingly important due to the fragility of the market and the economic situation as a result of COVID. Many suppliers are going through difficult times and we will need to monitor closely to ensure that critical services do not collapse.	CMB	Sep-2021	Dec-2021	Ongoing	4	3	12	Helping people and communities to be more healthy and resilient and smarter use of resources
10	The Council is in breach of the GDPR because Directorates do not take ownership of, or properly resource, their responsibilities under the Regulation (GDPR).	If Directorates do not comply with the GDPR action may be taken by the regulator which could result in fines and in a loss of reputation for the council, including with citizens. Properly complied with, GDPR will increase public trust and citizens confidence in how their data is handled by the Council.	4	4	16	Treat	Jun-20	Prior to GDPR an implementation group was established with representation from each Directorate and each Directorate undertook an audit of the data it holds. The Information Governance Board meets quarterly. A Data Protection Officer has been appointed and the council has undertaken a review of its data protection and privacy policies and procedures, established an E-Learning model for staff and also provided training to Members. There is a data breach reporting procedure in place.	Directorates to ensure that staff have access to all the data protection policies and undertake the mandatory e-learning training. There is a risk of GDPR not being reflected by staff when performing certain activities leading to non compliance and penalties imposed by the ICO. The information Governance Board is continuing to meet. Following the move to remote working, staff have been reminded of compliance via Bridgend's messages and another message is due imminently.	CMB	Sep-2021	Dec-2021	Ongoing	3	2	6	Smarter use of resources

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
11	Recovery/restoration of services - the restoration of some Council services will require new ways of working to be established and implemented to ensure Covid safe environments for staff and the public .	Additional measures will need to be considered, with revised protocols with potentially additional costs, and increased operational burdens, to meet relevant guidance and provide safe service and working environments. Specific measures at a Directorate level will need to be assessed for the reopening of schools, including school transport and catering arrangements and assessing the needs of pupils with additional learning needs. Assessing the additional social care implications from having to work more remotely including the impact of remote assessments and less direct face to face contact for things like day services, the additional service requirement to meet the enhanced expectation that all homeless people will be provided with housing options and wrap around services, and the safe distancing, cleansing and hygiene and enhanced ICT provision required to allow effective reopening of the Council's core office portfolio on a gradual basis as well as better supporting agile working and working from home on an ongoing and more permanent basis, ensuring all health and safety requirements are understood and addressed. There is also a general risk that some members of the public, some staff and some elected members will not necessarily understand why new and different ways of working are necessary and may not be supportive, for example increased working away from the office and services offered on a predominantly 'digital' basis. These issues may result in decreased capacity and therefore an inability to meet service demands, potential for claims against the Council based on health and safety, an increased likelihood that some residents will be unable or unwilling to take up provision of services, an increased financial burden on the Council on a recurring basis.	5	4	20	Treat	Sep-20	Full risk assessments at a service level provide evidence of where interventions are required and new ways of working need to be implemented. A risk tool for individual members of staff and elected members has been distributed for self assessment to determine if special measures are required to be implemented to protect those individuals. Revised protocols have been developed to advise staff on good practice and business cases are prepared where additional investment is required to meet new operating procedures. Enhanced communication with staff, elected members and the public (including parents and pupils) will be necessary to mitigate some concerns and fears and ensure a better understanding of the Council's position. Coronavirus measures are continually updated as and when the advice from Welsh Government is received.	Comprehensive service risk assessment, implement key actions from the service recovery plans completed by Directorates, identify and action the lessons learnt from the experiences of service provision during the pandemic and lockdown, identify and consider service business cases for additional investment (as well as where there might be some savings from stopping areas of service or closing previous provision), ensuring ongoing and comprehensive communication and engagement as necessary. The Council continues to move to a 'recovery' position whereby as well as continuing to deliver some Covid related services and respond to some of the Covid legacy issues such as significantly increased demand for social care, early help and homelessness services, there is an expectation from the public that other Council services will have returned to 'normal'. Based on business cases some Council services have now partially returned to working in an office environment but the return is still being managed in a cautious and prudent way with employee safety at the forefront of considerations. A report was presented to Cabinet in September and to Overview and Scrutiny in October setting out the direction of travel with regard to a new operating model for the Council, embracing the best of the practices of the last 18 months but also recognising the need to ensure working methods moving forward properly reflect wellbeing concerns and the need for face to face interaction on occasion based most likely on a hybrid working model of some home/remote working and some office based working where appropriate. This was supported by the preferences in the recently completed staff survey.	CMB	Sep-2021	Dec-2021	Ongoing recovery once second wave of virus eases & subject to future peaks.	5	3	15	Smarter use of resources

CCL 2021

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
12	Public Health/Protecting the Public - the Council will need to take an enhanced public health leadership role for a sustained period of time and that this will need to be prioritised and resourced at the expense of other services that are normally provided, and that without proper and comprehensive planning to carry out the additional functions of test, trace and protect, a potential mass vaccination programme and continued and ongoing protection of the vulnerable (including mental health services) and previously shielded individuals to ensure they have the services and support they require, as well as an advisory and enforcement role to ensure compliance with Covid regulations, Covid 19 virus infections will potentially rise locally with a significant overall impact on public health and consequential impact on the local economy.	A need to divert resource to ensure adequate planning, together with our partners in the Health Board and the third sector, of programmes of work to address these matters which if they are not dealt with properly or the measures are ineffective will lead to increased local infection and potentially increased fatalities, increased sickness levels including for the Council, significantly increased demand for services and in a worst case scenario further local lockdowns.	3	5	15	Treat	Sep-20	Planning effectively with our partners a joint Cwm Taf Morgannwg TTP team has been established across the Bridgend, RCT and Merthyr area. There will be ongoing recruitment to this team to deal with peaks and troughs in demand. BCBC officers have assisted in planning and staffing of mass vaccination centres and continue to support regional arrangements. There is enhanced wellbeing support available for staff.	Ongoing monitoring of the performance of the regional TTP team and additional recruitment undertaken when necessary. Continued support to the vaccination programme. SRS continue to advise businesses to promote good Covid practices and ensure relevant risk assessments are in place.	CMB	Sep-2021	Dec-2021	Ongoing during the remainder of the financial year and into 2021-22, particularly in view of the enhanced risk of the prevalence of the virus increasing during winter months, although some of these activities are likely to stay with us long term and will in due course need to become business as usual	3	5	15	Smarter use of resources
13	Invigorating the economy and economic recovery - there will be a prolonged and deep economic recession following the Covid pandemic and the uncertainties of the impact of the UKs withdrawal from the European Union, compounded by local issues such as the impending closure of the Ford engine plant.	There will be an increase in unemployment and the number of local benefit claimants. This impact may increase further at the end of the UK government's 'furlough' scheme which has been extended to the end of March 2021, with the potential for further business failure at that point. In addition there is likely to be a consequential impact on town centre footfall and increased empty retail properties, as potentially there will be less disposable spending locally. Increased financial hardship may also lead to an increase in demand for some Council services including those of the economic development, council tax, employability, mental health, domestic abuse and homelessness services.	5	3	15	Treat	Sep-20	By seeking to support local businesses and individuals by signposting them to appropriate financial support, skills training and support services, and progressing schemes to develop opportunities to set up and establish new business. Local coronavirus restrictions were replaced when at the end of December 2020 higher-level restrictions came into force in all of Wales to control the spread of the virus which was accelerating and present in all local communities, these restrictions would protect the public health for people living in the country. Please refer to Risk 11 for details of the restrictions in place.	Support the aims set out by local economic recovery taskforce and identify and implement the recommended actions through the development of a new Economic Strategy. Liaise closely with colleagues in the Cardiff Capital Region and Welsh Government to identify and target opportunities for investment to add to investment provided by BCBC to stimulate and invigorate the economy. Seek to signpost opportunities for training, support and new jobs by targeting the work of the Council's Employability teams. Administer and target financial grant schemes and provide support to local businesses to adapt to new circumstances. Progress existing economic development schemes to provide more opportunities for business 'start up' by developing enterprise hubs throughout the County Borough. Agreeing direct intervention initiatives where the Council controls the cost of some relevant services, for example free car parking /car parking offers in town centres, rental holidays/reductions for businesses where the Council is the landlord. Develop proposals for the UK Government's Levelling Up Fund as well as other external funding sources as considered appropriate.	CMB / Economic Recovery Panel	Sep-2021	Dec-2021	Ongoing	5	2	10	Supporting a successful sustainable economy

Page 135

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
14	schools are closed for a significant period of time(In particular closures related to the Covid-19 pandemic) , the impact on children and young people (in terms of wellbeing, safeguarding and educational standards) might be significant.	Not able to ensure standards, wellbeing and safeguarding of learners. Inhibits progress of those schools in special measures/in need of significant improvement.	3	4	12	Treat	Sep-20	Business resilience plan developed in partnership with schools. Use of RRRS (Recruit, Recover, Raise Standards) grant to recruit more teachers to support catch up programmes for pupils. Planning and contingencies identified. Strong emphasis of blended learning. Identification of digitally excluded learners and provision of ICT equipment and connectivity (MIFI units). Use of Hwb and CSC (Central South Consortium) resources. Strong support through ICT Schools Strategy Group and Team Bridgend. Strong support from CSC. Support from 'Team Bridgend'. Focus on developing more effective cluster working with funding from CSC used to facilitate approach. Strategy On A Page (SOAP) developed for each team/cluster. Support and challenge from School Improvement Group(SIG) and Performance and Financial Monitoring Board. Consideration of use of statutory powers.	Allocation of suitable budget to support additional ICT devices for digitally excluded learners. Ongoing use of resources made available through Welsh Government's EdTech project. CSC has provided a range of training to schools. Schools to attend professional learning webinars run by CSC. CSC provided repository of direct teaching resources to support the delivery of remote learning kept up-to-date and shared with schools. Information about resources and professional learning available can be found on the CSC website. Strong support from CSC. Liaison with Schools Executive. Focus on developing more effective cluster working with funding from CSC used to facilitate approach. Support and challenge from School Improvement Group(SIG) and Performance and Financial Monitoring Board. The long-term impact of the pandemic on education cannot, as yet, be determined and we will need to continue to work with partners such as Welsh Government and Central South Consortium to keep this under review	CMB	Sep-2021	Dec-2021	Ongoing	2	4	8	Smarter use of resources
16	The WCCIS (Welsh Community Care Information System) Social care system (national system) will fail to operate. This is an ICT system which holds all BCBC social care records and is supported by an external contractor.	As all of Bridgend social care records and services are held on this system when it fails social work practitioners are unable to check records of individuals known to the service, this could cause safeguarding issues as understanding previous referrals and interactions and undertaking lateral checks are critical to safeguarding decision making. On one occasion when the system failed for 2 days, the Authority was not able to provide advice to other agencies on a Safeguarding issue in a time crucial way - causing a high risk to children and adults at risk. System down time potentially leaves the authority people vulnerable in its safeguarding role. Practitioners would also be unable to update care and service plans and there is therefore a risk to front line care services. Processing of documentation which commence services to vulnerable citizens could cause potential delays to care packages. In addition, services being unable to share social care records to service providers, and partners. The foster care payments system is operated from this system so internal foster carers will not be paid this could potentially result in us losing foster carers if the payments fail regularly. There is also a risk to the ability to in a timely way provide reports and management information for key social care services to WG. The system is currently failing on a daily basis and /or running so slow that makes it unable to function. On one occasion the system has failed for more than a day sometimes these drop outs are planned but often the system fails without warning and the support from the supplier in overcoming issues experienced has not been robust. The performance of the system is causing extreme frustration for practitioners and presents a risk to retention and recruitment as workers may chose to leave and work in LAs with other systems which perform better. This risk will affect the reputation of the Council as well as affecting partnership working as the NHS and other partners (police and probation working in the MASH) will not deploy a system which performs so poorly. This presents further safeguarding risks in respect of poor information sharing. There are also risks to non compliance and the overarching risk is failure to maintain effective and safe services to vulnerable residents of Bridgend. Undertaking contract enforcement action is itself a high risk strategy as a new system would need to be procured. Implementation of a new system would move away from a single integrated system for Wales, would present risks in terms of transfer of records and would incur significant additional costs	5	3	15	Treat	Jun-21	BCBC SSWV together with the support of BCBC ICT and legal services will develop a local approach to working with the Supplier/Provider to overcome the local WCCIS issues being experienced and are also exploring all possible actions in terms of contract compliance and exit. A review of the local issues facing practitioners and users of the system will be collated jointly by the service and ICT so a full understanding can be presented to senior managers within the supplier in meetings with them to review the ongoing BCBC issues. In addition a review of the contractual obligations will be undertaken by colleagues in legal in order that BCBC can challenge any non contract compliance with the supplier. Action is also being undertaken as part of the all-Wales arrangements with regular links with the programme SRO and exploring co-ordinated action on a national basis, recognising that managing and mitigating risks and issues on a national is important when dealing with such a well resourced supplier.	There is an improvement in the current functionality and operation of the WCCIS system which resulted in the interventions put in place by Advanced in June/July, this was in turn the result of national involvement by Corporate Directors of Social Services expressing grave concerns about the significant issues at that time with the operation of the system day to day. The plan to upgrade the system remains on track at the moment - with Advanced the National Programme Team and local authorities working together to deliver actions which include final testing bug fixes defect resolution functionality testing online e learning for end users on the new system and support to ensure operational readiness for the planned downtime of the system when the transfer onto the new CRM Platform takes place	CMB	Sep-2021	Dec-2021	Ongoing - Residual Risk to be reviewed	5	3	15	All Well-Being Objectives

Control Method Definition

Definition	Meaning
Treat	To continue with the activity, but at the same time take action to bring the risk to an acceptable level.
Transfer	Transferring the responsibility of the risk to outside the Council.

Risk Scores

- 1-6 - Green - Low
- 8-12 - Amber - Medium
- 15-25 - Red - High

This page is intentionally left blank

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2021-22

1. Purpose of report

- 1.1 The purpose of the report is to provide members of the Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2021-22.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Internal Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 3.2 The Internal Audit Plan for 2021-22 was submitted to the Governance and Audit Committee for consideration and approval on 18th June 2021. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an opinion at the end of 2021-22. The proposed plan continues to recognise particular risks arising from COVID-19, availability of audit and service staff and challenges arising from the remote ways of working. The plan is also flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

4. Current situation/proposal

- 4.1 Progress made against the approved plan for the period 1st April to 31st October 2021 is attached at **Appendix A**. This details the status of each planned review, the audit opinion and the number of any high, medium or low priority recommendations made

to improve the control environment. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Board (CMB) reporting. This is because the audit work carried out in respect of these items is planned but the nature of the work does not lead to testing and the formation of an audit opinion.

- 4.2 **Appendix A** illustrates that as at to 31st October 2021, 8 audits have been completed with an opinion being provided. A further 3 audits have been completed and draft reports issued which are awaiting feedback from Service Departments. A total of 10 audits are currently on-going with another 8 having been allocated to auditors and should be commencing shortly.
- 4.3 Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment an audit opinion of substantial assurance has been given to 2 completed reviews and an opinion of reasonable assurance to the other 6 completed reviews.
- 4.4 **Appendix A** identifies that a total of 16 medium priority recommendations have been made to improve the control environment of the areas reviewed and 20 low priority recommendations. The implementation of these recommendations will be monitored to ensure that the identified and agreed improvements are being made.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1 Effective Audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

9. Recommendation

- 9.1 That members of the Committee note the content of the report and the progress made against the 2021-22 Internal Audit Annual Risk Based Plan.

Mark Thomas
HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
November 2021

Contact Officer: Joan Davies – Audit Client Manager

Telephone: (01446) 709794

E-mail: joan.davies@bridgend.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background Documents :

None

This page is intentionally left blank

Bridgend County Borough Council - Activity Against Audit Plan 1st April 2020 to 31st October 2021

Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
Communities	Carry Forward from 2020/21	Project & Contract Management	complete		√		0	1	4
Cross - Cutting	Follow up Limited Assurance Reports	To ensure that improvements have been made to the control environment since the previous limited assurance review.							
Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS							
Cross Cutting	Safeguarding	This review will include an annual assessment of the Council's overall operating model for safeguarding; including reviewing the adequacy of assurances obtained by the Council in respect of safeguarding arrangements in place for vulnerable adults and children particularly having regard to the impact of COVID19.							
Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.							
		Bus Service Support Grant 2020/21	complete		√		0	2	0
		Education Improvement Grant 2020/21	on-going						
		Housing Support Grant 2020/21	draft issued						
Cross Cutting	Risk Management	Successful risk management relies on a corporate approach to ensure that all risks are identified and managed systematically and consistently across the Council							
Cross Cutting	Remote Working	Remote working impact on governance and internal control arrangements using the feedback from the questionnaire							
Cross Cutting	General Data Protection Regulations	This audit will review whether the Council has an effective control framework in place for ensuring that personal information that is gathered is only used for the purpose for which it was originally intended.							
Chief Executive / Resources	Procurement	Review current processes and practices to ensure that they are reasonable, effective and efficient in the current economic landscape identifying any best practice across the other Authorities within the Regional Service							
Chief Executive / Resources	Material Systems – Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year may differ, with each audit having varying amounts of system review, testing or a combination of the two. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Council's material system control							
		Revenues & Benefits - Complaints, Appeals & Performance	on-going						
		Creditors - change of supplier details	on-going						
Chief Executive / Resources	Payroll & Expenses	Review process in respect of expense claims to ensure controls are effective. Review processes in place for claiming overtime, honorarium, enhancements etc	on-going						
Chief Executive / Resources	DBS	To provide assurance that DBS checks are in place for all posts that have been identified as requiring one	draft issued						
Chief Executive / Resources	Code of Conduct	Review of compliance of Officers to the Council's Code of Conduct	allocated						
Chief Executive / Resources	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime							
		i-Trent system review	draft issued						
		Citizens Access System	allocated						

Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations			
				Substantial	Reasonable	Limited	High	Medium	Low	
Page 142	Chief Executive / Resources	Early Retirement / Redundancy	Provide ensure transparency and assurance that Council's policies are adhered to	allocated						
	Chief Executive / Resources	Deputyships & Appointeeships	To ensure that the systems and controls surrounding the management of Appointeeship and Deputyships accounts are robust and that they are operated in line with regulations/guidance/policy in order to protect the individual and Council.	on-going						
	Chief Executive / Resources	Tender Evaluation & Award	To undertake a review to compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts. Focus will be on tender and award.	allocated						
	Chief Executive / Resources	Registrars	Review the new policies and procedures in place for registering a death since the pandemic to provide assurance that adequate controls are in place	complete		√		0	3	2
	Chief Executive / Resources	Project management	To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts.							
	Chief Executive / Resources	Performance Management	To review the performance management arrangements paying particular attention to the accuracy of the PI information collected and reported							
	Chief Executive / Resources	Capital Programme	A review of this area will be undertaken to provide assurance that the Capital Programme remains on track and that slippage is accounted for, reported and regularly monitored.							
	Chief Executive / Resources	Cyber Security	To provide assurance of the measures in place to mitigate the risk of cyber fraud	on-going						
	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement	complete	√			0	0	0
	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement	complete	√			0	0	0
	Communities	Pothole Repairs	To ensure that the controls surrounding the pot holes repair processes are operating satisfactorily and are in compliance with the Council's Financial & Contract Procedure Rules. Review the effectiveness and efficiency of the contracts to ensure the Council is achieving value for money	allocated						
	Communities	Fleet Management	To ensure that the service is efficient and effective and compliant to Council's policies and procedures							
	Communities	Highways Inspections	Compliance to Council's policies and procedures							
	Communities	Building Control	To provide assurance on the control environment in respect of processes, decision making and fees and charges	complete		√		0	4	3
Communities	Planning	To provide assurance on the control environment in respect of processes, decision making and fees and charges	complete		√		0	3	9	
Education & Family Support	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.								
		School Purchasing Cards	complete		√		0	3	2	
Education & Family Support	School CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.								
Education & Family Support	Learner Travel	To provide assurance that procurement and budgeting is in adherence to Council policies and procedures	allocated							

Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
Social Services & Wellbeing	Placements	Review the contracts and monitoring arrangements in place to provide assurance that the Council's interests are protected and agreed rates are paid. Include Adults Learning Disabilities and Mental Health as well as LAC							
Social Services & Wellbeing	Prevention & Wellbeing	Review the arrangements in place for Halo and Arwen to provide assurance that the Council getting VFM							
Social Services & Wellbeing	Direct Payments	Provide assurance that processes and procedures within the inhouse provision are effective.	allocated						
Social Services & Wellbeing	WCCIS	Ensure robust controls are in place and operating effectively							
Social Services & Wellbeing	Occupational Therapists	Provide assurance in respect of the efficiency and effectiveness of the processes in place in respect of assessment of need							
Social Services & Wellbeing	Support for Carers	Carers' Assessments & Payments	allocated						
Cross - Cutting	Annual Opinion Report 2020/21	Preparation for the production of the 2020/21 Annual Opinion Report.	complete						
Cross - Cutting	Annual Opinion Report 2021/22	Preparation for the production of the 2021/22 Annual Opinion Report.							
Cross - Cutting	Audit Planning	To prepare and present the annual risk based plan 2021/22.	complete						
		Preparation for the production of the annual risk based plan 2022/23.							
Cross Cutting	Data Analytics	To align with this objective, Internal Audit is developing a data analytics strategy as it is proving to be a useful internal audit tool as councils become more reliant on electronic data. Data analytics enables a vast amount of data to be analysed when selecting testing samples							
Cross - Cutting	Quality Assurance & Improvement Programme	To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).							
Cross - Cutting	Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.							
Cross - Cutting	Closure of Reports from 2020/21	To finalise all draft reports outstanding at the end of 2020/21.	complete						
Cross - Cutting	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.	on-going						
Cross - Cutting	Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority, including maintained school based staff.	on-going						
Cross - Cutting	External Audit Liaison	To ensure that a "managed audit" approach is followed in relation to the provision of internal and external audit services.	on-going						
Cross - Cutting	Emerging Risks / unplanned	To enable Audit Services to respond to provide assurance activity as required.							
Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.	on-going						
Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.							

Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
Cross - Cutting	Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.							
		OVERALL TOTALS		2	6	0	0	16	20

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

11 NOVEMBER 2021

REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

UPDATED FORWARD WORK PROGRAMME 2021-22

1. Purpose of report

- 1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2021-22.

2. Connections to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 The core functions of an effective Governance and Audit Committee include the responsibility to:

- consider the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- consider the effectiveness of the Council's anti-fraud and corruption arrangements.
- be satisfied that the Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- receive the annual report of the Head of Audit.
- consider the reports of external audit and inspection agencies, where applicable.
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

- review and approve the financial statements, external auditor’s opinion and reports to Members, and monitor management action in response to the issues raised by external audit.

3.2 Effective Governance and Audit Committees help to raise the profile of governance, internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

4. Current situation/proposal

4.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the proposed Updated Forward Work Programme for 2021-22 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.

4.2 Shown below are the items scheduled to be presented at the next meeting on 27th January 2022.

Proposed Agenda Items – 27 January 2022	
1	Governance and Audit Committee Action Record (incl. Annual Audit Summary)
2	Audit Wales Governance and Audit Committee Reports
3	Digital Transformation
4	Treasury Management Strategy 2022-23
5	Corporate Risk Assessment, Corporate Risk Management Policy and Incident and Near Miss Reporting Procedure
6	Internal Audit Progress Reports
7	Updated Forward Work Programme 2021-22

4.3 There may be additional agenda items presented to the Committee as the Local Government and Elections (Wales) Act 2021 comes into effect, particularly in respect of the Committee’s new responsibilities in relation to performance and self-assessment, and these will be added to the Forward Work Programme as necessary.

5. Effect upon policy framework and procedure rules

5.1 There is no impact on the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this

report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That the Committee considers and approves the proposed Updated Forward Work Programme for 2021-22.

Gill Lewis

Interim Chief Officer – Finance, Performance and Change

November 2021

Contact Officer: Deborah Exton
Deputy Head of Finance

Telephone: (01656) 643604

E-mail: deborah.exton@bridgend.gov.uk

Postal Address: Bridgend County Borough Council
Raven's Court
Brewery Field
Bridgend
CF31 4AP

Background Documents: None

This page is intentionally left blank

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2021-22	Frequency	27 January 2022	31 March 2022
Standing Items			
Governance and Audit Committee Action Record	Each meeting	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓
Annual Accounts			
Statement of Accounts 2020-21 (unaudited)	Annually		
Porthcawl Harbour Return 2020-21 (unaudited)	Annually		
Audited Statement of Accounts and Annual Governance Statement	Annually		
Audited Harbour Return (<i>if amended</i>)	Annually		
Internal Audit Reports			
Internal Audit Annual Strategy and Audit Plan 2021-22	Annually		
Internal Audit Shared Service Charter 2021-22	Annually		✓
Annual Internal Audit Report 2020-21	Annually		
Internal Audit Progress Reports	Quarterly	✓	✓
Governance			
Annual Governance Statement 2020-21	Annually		
Review of the Annual Governance Statement	Annually		
Audit Wales Annual Audit Plan (<i>included in Audit Wales Governance and Audit Committee Reports item</i>)	Annually		✓
Annual Audit Summary (<i>included in Audit Wales Governance and Audit Committee Reports item</i>)	Annually	✓	
Treasury Management			
Treasury Management Outturn 2020-21	Annually		
Treasury Management Half Year Report 2021-22	Annually		
Treasury Management Strategy 2022-23	Annually	✓	
Risk Assurance			
Corporate Risk Assessment 2021-22			
Corporate Risk Assessment, Corporate Risk Management Policy And Incident And Near Miss Reporting Procedure	Annually	✓	
Counter Fraud			
Corporate Fraud Report 2020-21	Annually		
Fraud Risk Assessment	Annually		✓
Anti Tax Evasion Policy	Annually		✓
Others			
Complaints Process			
Digital Transformation		✓	
Disabled Facilities Grants			
Annual Self Evaluation Report (to be determined)			

This page is intentionally left blank